

## Pace I.P., Sports & Entertainment Law Forum

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Article 1

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## Pace Intellectual Property, Sports & Entertainment Law Forum, Volume 4, Issue 1, Winter 2014

### **Abstract**

Thank you for downloading the first digital edition of the Pace Intellectual Property, Sports & Entertainment Law Forum. As you scroll through the pages of this issue, you may notice the Forum has a new look. Recognizing the significant advancements in technology that have revolutionized the legal field in the past few years, the Volume 4 Editorial Board sought to update and adapt the Forum to be accessible digitally, formatting the issue for tablets and e-readers. As you read, take advantage of clickable Tables of Contents and links to online sources throughout the issue.

# Pace Intellectual Property, Sports & Entertainment Law Forum

Volume 4

Winter 2014

Issue 1

## EMERGING ISSUES IN UNIQUE AREAS OF PATENTS, COPYRIGHT, ART, SPORTS & ENTERTAINMENT LAW

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Don't Get SLAMmed into Nefer Nefer Land:  
Complaints in the Civil Forfeiture of Cultural Property

*Victoria A. Russell*

"Meet Me Halfway": Arm Wrestling and the Law

*Thomas M. Byron*

# Pace Intellectual Property Sports & Entertainment Law Forum

Volume 4, Issue 1  
Winter 2014



**PACE LAW SCHOOL**  
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# PACE INTELLECTUAL PROPERTY, SPORTS & ENTERTAINMENT LAW FORUM

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## *Editor's Note*

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This year marks the fourth anniversary of PIPSELF, as the Forum is known colloquially to the Pace community. In four short years, PIPSELF has grown considerably, thanks to the dedication and determination of past and present Editorial Boards. From the inaugural volume, featuring compositions compiled by and prepared for publication solely by the four founding members, the journal has expanded to feature a fully staffed Editorial Board and a roster of Associate Editors.

The staff of PIPSELF has worked diligently this year selecting and preparing innovative and engaging articles concerning emerging issues in the fields of intellectual property, sports, and entertainment law for this issue, and we look forward to publishing our second issue this spring. We encourage our readers to feel welcome to send comments and feedback: e-mail us at [pipsself@law.pace.edu](mailto:pipsself@law.pace.edu) or visit our Twitter @PIPSELF.

— *Danielle Meeks*  
Editor-in-Chief  
Volume 4





PACE UNIVERSITY  
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PACE INTELLECTUAL PROPERTY,  
SPORTS & ENTERTAINMENT  
LAW FORUM

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*Article*

**New York's Taxable Lap Dancing  
...at a Strip Club Near You!**

***Harvey Gilmore\****

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\* Professor of Taxation and Business Law at Monroe College, The Bronx, New York; B.S., Hunter College of the City University of New York (1987), M.S., Long Island University (1990), J.D., Southern New England School of Law (1998), LL.M., Touro College Jacob D. Fuchsberg Law Center (2005).

### ***Abstract***

In today's difficult economic times, state governments are more hard pressed than ever to come up with new sources of revenue to at least stay revenue neutral. Leave it to the perpetually money-hungry State of New York to come up with this gem of an idea for generating tax revenues: In 2005, the New York State Department of Taxation and Finance attempted to impose sales tax on a nightclub's offering of exotic dancing to its customers. This resulted in one nightclub instigating a legal challenge to the state's attempt to impose sales taxes on exotic dancing. This resulted in the matter of *677 New Loudon Corp. v. State of New York Tax Appeals Tribunal*, which was ultimately decided by the New York Court of Appeals in October 2012.

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## INTRODUCTION

In today's difficult economic times, state governments are more hard pressed than ever to come up with new sources of revenue to at least stay revenue neutral. Leave it to the perpetually money-hungry State of New York to come up with this gem of an idea for generating tax revenues: In 2005, the New York State Department of Taxation and Finance attempted to impose sales tax on a nightclub's offering of exotic dancing to its customers. This resulted in the matter of *677 New Loudon Corp. v. State of New York Tax Appeals Tribunal*, ultimately decided by the New York Court of Appeals in October 2012, where one nightclub instigated a legal challenge to the state's attempt to impose sales taxes on exotic dancing.<sup>1</sup>

## I. THE FACTS

The plaintiff corporation operated an adult entertainment establishment called Nite Moves ("the club").<sup>2</sup> Nite Moves is an adult juice bar "where patrons may view exotic dances performed by women in various stages of undress."<sup>3</sup> Revenue is generated from four sources:

general admission charges, which entitle patrons to enter the club, mingle with the dancers and view on-stage performances, as well as any table or lap dances performed on the open floor; 'couch sales,'

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<sup>1</sup> *677 New Loudon Corp. v. State of New York Tax Appeals Tribunal*, 979 N.E.2d 1121 (N.Y. 2012), *cert. denied*, 134 S.Ct. 422 (U.S. Oct. 15, 2013) (No. 13-38).

<sup>2</sup> *677 New Loudon Corp v. State of New York Tax Appeals Tribunal*, 925 N.Y.S.2d 686, 688 (N.Y. App. Div. 2011).

<sup>3</sup> *Id.*

representing the fee charged when a dancer performs for a customer in one of the club's private rooms; register sales from the nonalcoholic beverages sold to patrons; and house fees paid by the dancers to the club.<sup>4</sup>

During a 2005 audit, the Division of Taxation ("the Division") audited the club and determined that the club's door admission fees and private dance fees were subject to New York State sales taxes, which the Division alleged that the club did not pay.<sup>5</sup> Thus, the Division assessed the club's unpaid sales taxes in the amount of \$124,921.94.<sup>6</sup> Needless to say, the club did not agree with Division's assessment, and challenged the Division in court. Unfortunately for Nite Moves, the New York Appellate Division ruled in favor of the Division of Taxation.<sup>7</sup> The Appellate Division found, among other things, that the Division of Taxation had a rational basis for subjecting the club's exotic dancing to the sales tax,<sup>8</sup> that the club failed to meet its burden of proof that it qualified for a sales tax exemption,<sup>9</sup> and most importantly, that exotic dancing is not a choreographed, artistic performance that merits exemption from the sales tax.<sup>10</sup>

## II. THE ISSUE

According to New York State Tax Law, the state will impose a tax on admissions fees in excess

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<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 692.

<sup>8</sup> *Id.* at 690.

<sup>9</sup> *Id.* at 691.

<sup>10</sup> *Id.* at 691-92.

of ten cents on:

the use of any place of amusement in the state, *except* charges for admission to race tracks, boxing, sparring or wrestling matches or exhibitions which charges are taxed under any other law of this state, or *dramatic or musical arts performances*, or live circus performances, or motion picture theaters, and except charges to a patron for admission to, or use of, facilities for sporting activities in which such patron is to be a participant, such as bowling alleys and swimming pools.<sup>11</sup>

Thus, the central issue that the New York Court of Appeals had to decide was whether exotic dancing was in fact a choreographed, artistic activity that qualified for exemption from the New York State sales tax. The club contended that its dance activity was in fact choreographed performances that should be exempt from taxation while the Division contended that the club's activities were well within the statutory definition of a taxable place of amusement. The statute defines places of amusement as "any place where any facilities for entertainment, amusement, or sports are provided."<sup>12</sup>

### III. THE MAJORITY OPINION

In a 4-3 decision,<sup>13</sup> the New York Court of Ap-

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<sup>11</sup> N.Y. TAX LAW § 1105(f)(1) (Consol. 2012) (emphasis added).

<sup>12</sup> N.Y. TAX LAW § 1101(d)(2) (Consol. 2012).

<sup>13</sup> 677 New Loudon Corp. v. State of New York Tax Appeals Tribunal, 979 N.E.2d 1121 (N.Y. 2012). Judges Ciparick, Graffeo, Pigott and Jones concur in the judgment. Judge Smith wrote a dissenting opinion joined by Chief Judge Lippman and Judge Read.

peals affirmed the Appellate Division's decision,<sup>14</sup> holding that exotic dancing is not a choreographed, artistic event thus subject to the New York State sales tax. In its majority opinion, the court first noted the Division's legislative history showed wide latitude in defining those entertainment activities which are subject to taxation.

The Legislature expansively defined places of amusement that are subject to this tax to include "any place where any facilities for entertainment, amusement, or sports are provided." The tax, therefore, applies to a vast array of entertainment including attendances at sporting events, such as baseball, basketball or football games, collegiate athletic events, stock car races, carnivals and fairs, amusement parks, rodeos, zoos, horse shows, arcades, variety shows, magic performances, ice shows, aquatic events, and animal acts. Plainly, no specific type of recreation is singled out for taxation.<sup>15</sup>

Therefore, if one accepts the premise that lap dancing is indeed a form of "entertainment," then it would logically follow, according to the majority, that exotic dancing is included in the non-exhaustive listing of taxable entertainment activity.

However, in relying on the legislative intent, the court also noted that the Legislature created a specific exception for certain forms of entertainment. Thus, if an entertainment activity fell within the definition of "dramatic or musical arts" performances, then the venue that provided the performances

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<sup>14</sup> 677 *New Loudon Corp.*, 979 N.E.2d at 1122.

<sup>15</sup> *Id.*

would be exempt from having to collect and pay New York sales tax. “[W]ith the evident purpose of promoting cultural and artistic performances in local communities, the Legislature created an exemption that excluded from taxation admission charges for a discrete form of entertainment – ‘dramatic or musical arts performances.’”<sup>16</sup>

The majority’s second point in its opinion was that the club’s entertainment activities did not qualify for the tax exemption. This is because the court agreed with the Appellate Division and thus believed that the club did not meet its burden of proof that its exotic dance routines qualified as artistic choreographed performances.<sup>17</sup> The majority believed the club’s evidence supporting its position was faulty for two reasons.

Firstly, the club’s expert witness, who was a cultural anthropologist who researched the field of exotic dancing, never saw any of the dances performed at the club herself.<sup>18</sup> “Petitioner’s expert, by her own admission, did not view any of the private dances performed at petitioner’s club and, instead, based her entire opinion in this regard upon her observations of private dances performed in *other* adult

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<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 1123 (“In order for petitioner to be entitled to the exclusion for “dramatic or musical arts performances,” it was required to prove that the fees constituted admission charges for performances that were dance routines qualifying as choreographed performances. Petitioner failed to meet this burden as it related to the fees collected for the performances in so-called “private rooms”; none of the evidence presented depicted such performances and petitioner’s expert’s opinion was not based on any personal knowledge or observation of “private” dances that happened at petitioner’s club.”).

<sup>18</sup> 677 *New Loudon Corp. v. State of New York Tax Appeals Tribunal*, 925 N.Y.S.2d 686, 690 (N.Y. App. Div. 2011).



entertainment venues.”<sup>19</sup> Consequently, the Division completely discredited the club’s expert, and determined the performances to be taxable.<sup>20</sup>

In my opinion, the expert witness certainly should have exercised some due diligence (and some common sense) and personally seen some of the club’s dance routines herself. However, just to play Devil’s Advocate here, we should consider the following: (1) the expert was a cultural anthropologist by profession;<sup>21</sup> (2) she extensively researched the field of exotic dancing;<sup>22</sup> and (3) she had witnessed similar dance routines at other venues.<sup>23</sup> Therefore, this is a person with both the academic training and practical experience who could make an informed judgment as to whether the club’s routines were in fact choreographed dances.

Secondly, the court upheld the Appellate Division’s finding that the club’s exotic dance routines were not choreographed performances. The Appellate Division determined that this type of dancing does not rise to the level of a choreographed perfor-

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<sup>19</sup> *Id.* at 691.

<sup>20</sup> *Id.* (“Although petitioner argues that the detailed testimony of its expert was more than sufficient to discharge its burden on this point, the Tribunal essentially discounted this testimony in its entirety, leaving petitioner with little more than the Nite Moves DVD to demonstrate its entitlement to the requested exemption.”); *see also* 19 N.Y.3d at 1060. (“The Tribunal articulated a rational basis for discrediting her: it found her testimony was compromised by her opinion that the private performances were the same as the main stage performances despite the fact that she neither observed nor had personal knowledge of what occurred in the private areas.”).

<sup>21</sup> *Id.* at 690.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

mance that requires formalized training. “The record reflects that the club’s dancers are not required to have any formal dance training and, in lieu thereof, often rely upon videos or suggestions from other dancers to learn their craft.”<sup>24</sup>

In my opinion, this suggests that both the majority and the Appellate Division strongly believe that any idiot (male or female) could walk into any nightclub, apply for a position as an exotic dancer, *and* get the job. I defy any of those self-appointed critics to try it themselves and see if they could pull it off. If any of them can (and I *absolutely* doubt it!!!), then I will retract everything I have written here and shut up.

#### IV. THE DISSENTING OPINION

Judge Smith’s dissenting opinion hits the majority hard with his assertion that the majority is imposing its own moral judgment on what kind of dancing is taxable. He makes quite clear that although he finds exotic dance personally unappealing, it is grossly unfair to subject it to taxation solely on that basis.

Like the majority and the Tribunal, I find this particular form of dance unedifying — indeed, I am stuffy enough to find it distasteful. Perhaps for similar reasons, I do not read Hustler magazine; I would rather read the New Yorker. I would be appalled, however, if the State were to exact from Hustler a tax that the New Yorker did not have to pay, on the ground that what appears in Hustler is insufficiently “cultural and artistic.” That sort of discrimination on

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<sup>24</sup> *Id.* at 691.

the basis of content would surely be unconstitutional. It is not clear to me why the discrimination that the majority approves in this case stands on any firmer constitutional footing.<sup>25</sup>

Judge Smith takes exception to the majority's splitting dance activity into what it deems acceptable versus what it deems objectionable. "The majority, and the Tribunal, have implicitly defined the statutory words 'choreographic . . . performance' to mean 'highbrow dance' or 'dance worthy of a five-syllable adjective.'"<sup>26</sup> This lends itself to the possibility that a performance of the Joffrey Ballet at New York's Lincoln Center is completely safe from taxation, whereas a striptease in a low rent bar on the wrong side of town is taxable. How fair is that? In Judge Smith's opinion, a dance is a dance is a dance – period. "The people who paid these admission charges *paid to see women dancing*. It does not matter if the dance was artistic or crude, boring or erotic. Under New York's Tax Law, a dance is a dance."<sup>27</sup> I believe Judge Smith is spot on with his analysis. Whether it is tap dancing, ballet dancing, ballroom dancing, salsa dancing, *Dancing with the Stars*, or even exotic dancing in this case, the operative word in all those titles is still *dance*.

Next, Judge Smith rips apart the majority's conclusion that exotic dancing is not choreography. He noted that the actual tax regulation included the word "choreography" within the definition of "musi-

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<sup>25</sup> 677 New Loudon Corp. v. State of New York Tax Appeals Tribunal, 979 N.E.2d 1121, 1125 (N.Y. 2012) (Smith, J., dissenting) (citation omitted).

<sup>26</sup> *Id.* at 1124 (Smith, J., dissenting).

<sup>27</sup> *Id.* (emphasis added).

cal arts” that would be exempt from the tax.<sup>28</sup> Thus, as long as the entertainment in question involved choreographed routines, it would be exempt from the sales tax – irrespective of its tastefulness.

## V. WHAT IS DANCE AND WHAT IS CHOREOGRAPHY, THEN?

According to Dictionary.com, dance is defined as “to move one’s feet or body, or both, rhythmically in a pattern of steps, especially to the accompaniment of music.”<sup>29</sup> Dictionary.com also defines choreography as “the technique of representing the various movements in dancing by a system of notation.”<sup>30</sup>

Choreography requires both practice and precision. In order to successfully complete any dance routine, the person or persons involved must get their timing down, be physically coordinated, and most importantly, have the talent and ability to be successful. In Judge Smith’s eyes, this point is equally applicable irrespective of the type of dance performance. “It is undisputed that the dancers worked hard to prepare their acts, and that pole dancing is actually quite difficult. . . .”<sup>31</sup> If even pole dancing requires actual talent, this blows apart the majority’s presumption that anybody can do exotic dancing. Why? Even exotic dancing requires rhythm, timing, coordination, and practice. Not everyone has the ability to dance; dancing is a special-

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<sup>28</sup> *Id.*

<sup>29</sup> Dance, DICTIONARY.COM, <http://dictionary.reference.com/browse/dance> (last visited Mar. 2, 2014).

<sup>30</sup> Choreography, DICTIONARY.COM, <http://dictionary.reference.com/browse/choreography> (last visited Mar. 2, 2014).

<sup>31</sup> 677 *New Loudon Corp.*, 979 N.E.2d at 1124.

ized skill.

## VI. SIMILAR ACTIVITIES TREATED DISSIMILARLY: *ARKANSAS WRITERS' PROJECT, INC. v. RAGLAND*

The issue of differentiating between similar activities is not new. Obviously no one knows if the United States Supreme Court will step in to decide if there is a constitutionally impermissible distinction between nude dancing and other types of dancing.

In *Arkansas Writers' Project, Inc. v. Ragland*, *Commissioner of Revenue of Arkansas*, the Court examined the constitutionality of an Arkansas sales tax that was imposed on some publications but not others.<sup>32</sup> The tax was imposed on all sales of tangible personal property.<sup>33</sup> However, the state allowed several exemptions to the tax, including newspapers, and certain other publications related to sports, religion, and trade or professional journals.<sup>34</sup>

The *Arkansas Times* ("the *Times*") was a monthly general interest magazine. "The magazine includes articles on a variety of subjects, including religion and sports."<sup>35</sup> The state, after an audit, assessed taxes on the *Times*.<sup>36</sup> The *Times* agreed to pay the assessment and future taxes on the condition that it could renew its challenge to the Arkansas tax

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<sup>32</sup> *Arkansas Writers' Project, Inc. v. Ragland*, 481 U.S. 221 (1987).

<sup>33</sup> *Id.* at 224.

<sup>34</sup> *Id.* ("These include '[g]ross receipts or gross proceeds derived from the sale of newspapers,' § 84-1904(f) (newspaper exemption), and 'religious, professional, trade and sports journals and/or publications printed and published within this State . . . when sold through regular subscriptions.' § 84-1904(j) (magazine exemption).").

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

exemption if there were any future court rulings or changes in the tax law that would justify such a challenge.<sup>37</sup>

Subsequently, the Supreme Court decided *Minneapolis Star v. Minnesota Commissioner*, in which it invalidated a Minnesota use tax on “the cost of paper and ink products consumed in the production of a publication.”<sup>38</sup> The Court struck down the tax on the grounds that the tax and exemption scheme was targeted at the press. In other words, the taxing scheme in that case put an impermissible burden on publishers to pay the use tax while it was never imposed on any other business in the state of Minnesota.

We have long recognized that even regulations aimed at proper governmental concerns can restrict unduly the exercise of rights protected by the First Amendment. A tax that singles out the press, or that targets individual publications within the press, places a heavy burden on the State to justify its action. Since Minnesota has offered no satisfactory justification for its tax on the use of ink and paper, the tax violates the First Amendment, and the judgment below is *Reversed*.<sup>39</sup>

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<sup>37</sup> *Id.* at 225 (“Appellant initially contested the assessment, but eventually reached a settlement with the State and agreed to pay the tax beginning in October 1982. However, appellant reserved the right to renew its challenge if there were a change in the tax law or a court ruling drawing into question the validity of Arkansas’ exemption structure.”).

<sup>38</sup> *Minneapolis Star v. Minn. Comm’r*, 460 U.S. 575, 577 (1983).

<sup>39</sup> *Id.* at 592 (citation omitted).

Back in Arkansas, the *Times*, relying on the *Minneapolis Star* case, brought a lawsuit against the state to get a refund of all the sales taxes it had paid since October 1982.<sup>40</sup> The litigation went all the way to the Arkansas Supreme Court, which denied the *Times*' petition and upheld the tax.<sup>41</sup> The U.S. Supreme Court, however, reversed the Arkansas court and struck down the tax on the ground that, even absent a discriminatory motive, this tax was unconstitutional because it was imposed on some Arkansas publishers, but not others.

On the facts of this case, the fundamental question is not whether the tax singles out the press as a whole, but whether it targets a small group within the press. While we indicated in *Minneapolis Star* that a genuinely nondiscriminatory tax on the receipts of newspapers would be constitutionally permissible, the Arkansas sales tax cannot be characterized as nondiscriminatory, because it is not evenly applied to all magazines. To the contrary, the magazine exemption means that only a few Arkansas magazines pay any sales tax; in that respect, it operates in much the same way as did the \$100,000 exemption to the Minnesota use tax. Because the Arkansas sales tax scheme treats some magazines less favorably than others, it suffers from the second type of discrimination identified in *Minneapolis Star*. Indeed, this case involves a more disturbing use of selective taxation than *Minneapolis Star*, because the basis on which Arkansas differentiates between

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<sup>40</sup> *Arkansas Writers' Project, Inc.*, 481 U.S. at 225.

<sup>41</sup> *Id.* at 226.

magazines is particularly repugnant to First Amendment principles: a magazine's tax status depends entirely on its *content*. '[A]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its ideas, its subject matter, or its content.'<sup>42</sup>

The bottom line, obviously, is that if a taxing authority is going to impose a tax, it should be uniformly imposed on all within the jurisdiction. It certainly would not look good if the state of New York were to grant a sales tax exemption to the *Wall Street Journal*, generally accepted to be an upscale publication, but not the *Weekly World News*, a publication (and I use that term loosely as applied to it here) that I believe does not let little things like accuracy and veracity get in the way of a good, attention grabbing headline. Some of the notorious headlines the *Weekly World News* is rather infamous for include the following: "Earth to Collide with Nibiru on December 21, 2012!"<sup>43</sup> "Sean Penn to Replace Chavez,"<sup>44</sup> "Dennis Rodman Named Leader of North Korea,"<sup>45</sup> "Super Bowl Blackout – Joe Biden Did

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<sup>42</sup> *Id.* at 229 (quoting *Police Dep't of Chicago v. Mosley*, 408 U.S. 92, 95 (1972)) (citation omitted).

<sup>43</sup> Frank Lake, *Earth to Collide with Nibiru on December 21, 2012!*, WEEKLY WORLD NEWS, Dec. 20, 2012, <http://weeklyworldnews.com/aliens/42896/earth-to-collide-with-nibiru-on-decembe-21-2012/>.

<sup>44</sup> Frank Lake, *Sean Penn to Replace Chavez*, WEEKLY WORLD NEWS, Mar. 6, 2013, <http://weeklyworldnews.com/headlines/55101/sean-penn-to-replace-chavez/>.

<sup>45</sup> Tap Vann, *Dennis Rodman Named Leader of North Korea*, WEEKLY WORLD NEWS, Mar. 4, 2013, <http://weeklyworldnews.com/headlines/55030/dennis-rodman-named-leader-of-north-korea/>.



It!,”<sup>46</sup> or my favorite, “Bigfoot Kept Lumberjack as Love Slave.”<sup>47</sup>

Even if one does not hold the *Weekly World News* in the highest esteem, it would be grossly unfair to impose a tax on it merely because it is a bit lowbrow. Yet, this is the very same thing the New York State Department of Taxation and Finance is doing by excluding nude dancing from the generic definition of “choreographed dance” for tax purposes.

## VII. IS NUDE DANCING REALLY ENTITLED TO FIRST AMENDMENT PROTECTION? YES, BUT...

Supreme Court jurisprudence has given nude dancing First Amendment protection. In fact, the court noted that activities that are protected by the First Amendment included nudity. For example, in *Schad v. Borough of Mount Ephraim*, the Court recognized that nude dancing was expressive speech within the First Amendment.<sup>48</sup>

Nor may an entertainment program be prohibited solely because it displays the nude human figure. “[N]udity alone” does not

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<sup>46</sup> Tap Vann, *Super Bowl Blackout – Joe Biden Did it!*, WEEKLY WORLD NEWS, Feb. 4, 2013, <http://weeklyworldnews.com/headlines/54471/super-bowl-blackout-joe-biden-did-it/>.

<sup>47</sup> K. Thor Jensen, *Tabloid Headlines We Wish Were Real*, UGO (Feb. 29, 2012), <http://www.ugo.com/web-culture/tabloid-headlines-we-wish-were-real-bigfoot-kept-lumberjack> (displaying picture of the headline “Bigfoot Kept Lumberjack as Slave”); Steve Mandich, *A Year in the Life of Bigfoot*, BIGFOOT IS REAL, <http://www.stevemandich.com/otherstuff/bigfootyear.htm> (last updated Jan. 13, 2011) (describing the October 30, 2001 story “Bigfoot Kept a Lumberjack as a Slave” as “a Tacoma lumberjack held captive by Bigfoot for three months came to call the beast ‘Wookums.’”).

<sup>48</sup> *Schad v. Borough of Mount Ephraim*, 452 U.S. 61 (1981).

place otherwise protected material outside the mantle of the First Amendment. . . . Furthermore, as the state courts in this case recognized, nude dancing is not without its First Amendment protections from official regulation.<sup>49</sup>

In two later cases, however, the Court upheld public indecency statutes. In upholding the statutes, the court mentioned that nude dancing was within the very limited purview of the First Amendment, but the plurality opinion in both cases also mentioned that their First Amendment protections are neither unlimited nor absolute.

First, in *Barnes v. Glen Theatre, Inc.*, a 1991 case, the U.S. Supreme Court upheld an Indiana statute outlawing public nudity.<sup>50</sup> The statute here required that exotic dancers wear pasties and a G-string while performing.<sup>51</sup> Even then, the Court recognized that nude dancing still had First Amendment protection, albeit limited. Chief Justice Rehnquist, probably not a fan of nude dancing, stated in the opinion: “[n]ude dancing of the kind sought to be performed here is expressive conduct within the outer perimeters of the First Amendment, though we view it as marginally so.”<sup>52</sup>

Nine years later, in 2000, the Court decided *Erie v. Pap's A.M.*<sup>53</sup> Here, the Court looked at an Erie, Pennsylvania statute that provided the following:

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<sup>49</sup> *Id.* at 66.

<sup>50</sup> *Barnes v. Glen Theatre, Inc.*, 501 U.S. 560 (1991).

<sup>51</sup> *Id.* at 563.

<sup>52</sup> *Id.* at 566.

<sup>53</sup> *City of Erie v. Pap's A.M.*, 529 U.S. 277 (2000).

1. A person who knowingly or intentionally, in a public place:
  - a. engages in sexual intercourse
  - b. engages in deviate sexual intercourse as defined by the Pennsylvania Crimes Code
  - c. appears in a state of nudity, or
  - d. fondles the genitals of himself, herself or another person commits Public Indecency, a Summary Offense.
2. "Nudity" means the showing of the human male or female genital [sic], pubic area or buttocks with less than a fully opaque covering; the showing of the female breast with less than a fully opaque covering of any part of the nipple; the exposure of any device, costume, or covering which gives the appearance of or simulates the genitals, pubic hair, natal cleft . . . .<sup>54</sup>

In *Pap's A.M.*, Justice O'Connor wrote the plurality opinion, in which she reinforced the *Barnes* Court's rationale that nude dancing is entitled to only limited First Amendment protection. "Being 'in a state of nudity' is not an inherently expressive condition. As we explained in *Barnes*, however, nude dancing of the type at issue here is expressive conduct, although we think that it falls only within the outer ambit of the First Amendment's protection."<sup>55</sup> As a result of these two cases, the Court places nude dancing, allegedly expressive *speech*, on a much lower pedestal than, say, political speech or commercial speech.

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<sup>54</sup> *Id.* at 283 n.\* (quoting Ordinance 75-1994, codified as Article 711 of the Codified Ordinances of the City of Erie).

<sup>55</sup> *Id.* at 289.

Interestingly, Chief Justice Rehnquist never defined exactly how “marginal”<sup>56</sup> First Amendment protection for nude dancing really is, and Justice O’Connor never gave a definitive description of her “outer ambit”<sup>57</sup> of First Amendment protection for nude dancing, either. Justice O’Connor also mentions in *Pap’s A.M.* that society has a much greater interest in protecting political speech than exotic dancing, which she considers akin to being an unwanted stepchild.

And as Justice Stevens eloquently stated for the plurality in *Young v. American Mini Theatres, Inc.*, 427 U. S. 50, 70 (1976), “even though we recognize that the First Amendment will not tolerate the total suppression of erotic materials that have some arguably artistic value, it is manifest that society’s interest in protecting this type of expression is of a wholly different, and lesser, magnitude than the interest in untrammelled political debate,” and “few of us would march our sons and daughters off to war to preserve the citizen’s right to see” specified anatomical areas exhibited at establishments like Kandyland.<sup>58</sup>

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<sup>56</sup> *Barnes*, 501 U.S. at 566.

<sup>57</sup> *Pap’s A.M.*, 529 U.S. at 289; see also Kevin Case, “*Lewd and Immoral*: Nude Dancing, Sexual Expression, and the First Amendment”, 81 CHI.-KENT L. REV. 1185, 1201 (2006) (“Like Chief Justice Rehnquist in *Barnes*, she provided no explanation for why nude dancing was banished to the ‘outer ambit,’ although she, like Justice Souter in *Barnes*, quoted the passage from *American Mini Theatres* about society’s interest in protecting sexual expression being of a ‘wholly different, and lesser, magnitude’ than the interest in protecting political speech.”).

<sup>58</sup> *Pap’s A.M.*, 529 U.S. at 294.

Can this possibly be true? Is “unfettered political debate” that important in helping society where we would otherwise be hopelessly lost without it? Does Justice O’Connor really believe we would prefer to send our sons and daughters off to war to preserve the First Amendment rights of political office holders to lie to their constituents on a daily basis?<sup>59</sup> To each his own, I suppose. In my opinion, if Justice O’Connor were that concerned about societal harm, I would suggest to her that *professional liars* (who I will call “politicians”) routinely inflict much more harm on society than exposing certain body parts ever could.

### **IX. JUDICIAL ANTIPATHY TOWARDS NUDITY**

From the day that Adam and Eve realized that they were naked in the Garden of Eden,<sup>60</sup> nudity has always been a hot topic, especially in the legal world. Yet, as the *Barnes* and *Pap’s A.M.* cases have shown, the Court, at best, has given a lukewarm endorsement to the proposition that nude dancing (no matter how distasteful) is a form of expressive speech. This type of speech, allegedly under the umbrella of First Amendment protection, is deemed not really worthy of strict scrutiny analysis that other forms of pro-

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<sup>59</sup> See, e.g., Bill Haltom, *The Constitutional Right to Lie*, 43-NOV TENN. B.J. 32 (2007) (“Let’s face it, my fellow Americans. Lying politicians are as American as apple pie.”).

<sup>60</sup> *Genesis* 3:8-11 (“Then the man and his wife heard the sound of the LORD God as he was walking in the garden in the cool of the day, and they hid from the LORD God among the trees of the garden. But the LORD God called to the man, ‘Where are you?’ He answered, ‘I heard you in the garden, and I was afraid because I was naked; so I hid.’ And he said, ‘Who told you that you were naked? Have you eaten from the tree that I commanded you not to eat from?’”).

tected speech would be given.

Why exactly do courts hesitate to give nude dancing full protection under the First Amendment? Could it be that there might be some deep-seated, patriarchal cultural mindset that would suggest that the nude female body is “evil,” and somehow something to be afraid of? And perhaps the only way to suppress the evilness is for courts to make sure that the nude female form does not gain access to legal protection (free speech, taxation, equal protection under the Fifth and Fourteenth Amendments of the United States Constitution, and who knows what else)?

There is at least one paradigm<sup>61</sup> that does suggest a judicial aversion to the nude female form that, I believe, is completely devoid of any rational basis (how ironic).

What is it about the nude female body that inspires irrationality, fear, and panic-demonium, or at least inspires judges to write bad decisions? In *City of Erie v. Pap's A.M.* and *Barnes v. Glen Theatre, Inc.*, the Supreme Court's “nude dancing” cases, the Court accepted and acted upon culturally entrenched views of the nude female form: that the female body is a site of unreason; that it is barely intelligible; that it is inviting yet dangerous; and that it causes mayhem, disease, and destruction. This view of the seductive, dangerous, writhing woman, so powerful that she is inextricable from the wreckage she causes, has a long and feverish history in Western culture, be it the Bi-

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<sup>61</sup> See generally Amy Adler, *Girls! Girls! Girls! The Supreme Court Confronts the G-String*, 80 N.Y.U. L. REV. 1108, 1109 (2005).

ble, great literature, or pulp movies. This time she has caused more trouble: She has wreaked havoc in the First Amendment.<sup>62</sup>

Evidently, there does not seem to be a similar judicial hysteria when it comes to male nudity. Assuming the above quote is true, this must mean that exposed male genitalia is not nearly as dangerous, potentially attractive, and simultaneously fear inducing as female genitalia. Thus, women looking at a nude, gyrating male body would not result in male prostitution, female-on-male rape, or the decline in real estate values in neighborhoods where nude male entertainment would be available.

Surely, there are images of male virility embodied in certain celebrities, for example, that would inspire naked animal lust in the female heart as well. I would assume male figures like Brad Pitt, George Clooney, Denzel Washington, Mel Gibson or even the Rat Pack (Frank Sinatra, Dean Martin, Sammy Davis, Jr. and Peter Lawford) in their prime would inspire similar lustful thoughts in the female gender. The above examples of male libido notwithstanding, the male body is obviously not nearly as sexy or dangerous in the minds of middle-aged to elderly judges.

The courts have implicitly recognized that without some coherent limiting principle, all sorts of businesses could adopt sexualized branding, making gender-specific sex appeal a qualification for nurses, secretaries and even lawyers. Although such a rule would also allow employers to sexualize male employees, and might seem su-

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<sup>62</sup> *Id.*

perficcially equal, it would not be in practice. Because more business owners are male and prevailing gender norms encourage men to commodify women, there would be a stronger demand for female sexuality than male sexuality, just as movie audiences appear to prefer to see female nudity more than male nudity.<sup>63</sup>

That said, does the exposure of female body parts really lead to all this lawlessness the *Pap's A.M.* Court so greatly fears? Can an exposed pair of breasts or an uncovered vagina really lead to the end of civilization as we know it? We shall soon see...

### ***A. The Ridiculous, Illogical "Secondary Effects" Rationale of Pap's A.M.***

In *Pap's A.M.*, the plurality opinion relied quite heavily on the so-called secondary effects resulting from full nudity in live entertainment. The City of Erie, in enacting its ban on public nudity, justified its ordinance on the premise that live, nude entertainment automatically leads to criminal activity.

The preamble to the ordinance states that "the Council of the City of Erie *has, at various times over more than a century, expressed its findings* that certain lewd, immoral activities carried on in public places for profit are highly detrimental to the public health, safety and welfare, and lead to the debasement of both women and men, promote violence, public intoxication, prostitution and other serious criminal

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<sup>63</sup> Russell K. Robinson, *Casting and Caste-ing; Reconciling Artistic Freedom and Antidiscrimination Norms*, 95 CALIF. L. REV. 1, 36-37 (2007).



activity.<sup>64</sup>

Admittedly, I am hard pressed to come to that conclusion. Actually, I see several logical flaws in the Court's attempt to justify its secondary effects argument.

First, this reasoning assumes that *anyone* who goes into a strip club will automatically lose his wits and self-control, get drunk, get into fights, do drugs, and solicit a prostitute (at best) or commit rape (at worst). Although I am not a fan of strip clubs myself, I have gone to strip clubs several times in my younger days. At no time thereafter did I feel the need to commit any crime as the involuntary after-effect of going into a strip club. If anything, I was just plain bored. I have to believe that common sense would suggest that most people do not cave in to some irresistible primal impulse to engage in criminality and/or debauchery after seeing a live nude performance. In my view, this argument is very weak, at best.

The next logical flaw in the Court's justification was that the City of Erie wanted to place limitations on live nude entertainment in response to an increase in such establishments.

In the preamble to the ordinance, the city council stated that it was adopting the regulation for the purpose of limiting a recent increase in nude live entertainment within the City, which activity adversely impacts and threatens to impact on the public health, safety and welfare by providing an atmosphere conducive to violence, sexual harassment, public intoxication, prostitu-

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<sup>64</sup> City of Erie v. Pap's A.M., 529 U.S. 277, 297 (2000).

tion, the spread of sexually transmitted diseases and other deleterious effects.<sup>65</sup>

Taking this argument at face value, this seems to suggest that if nude entertainment were available at a private office party in an upscale neighborhood (as opposed to the seedy areas where strip clubs presumably operate), the perceived incidences of violence, prostitution, drunkenness and the like would be at a much lower rate. This does not make any logical sense to me. Prostitution, for example, is defined as “the act or practice of engaging in sexual intercourse for money.”<sup>66</sup> Where is it written in stone that nude dance clubs are automatic training grounds for prostitutes? Yes, it is true that some strippers are also prostitutes.<sup>67</sup> There are some who will trade sex for drugs.<sup>68</sup> There are some who work at high-end “escort” services who serve wealthy, influential clients (former New York Governor Eliot Spitzer, for example).<sup>69</sup> The point here is that these

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<sup>65</sup> *Pap's A.M.*, 529 U.S. at 290.

<sup>66</sup> Prostitution, DICTIONARY.COM, <http://dictionary.reference.com/browse/prostitution> (last visited Mar. 2, 2014).

<sup>67</sup> See, e.g., Daily Mail Reporter, *Former Prostitute and Stripper BACK in the Classroom (But This Time She's Only Teaching Adults)*, MAIL ONLINE (Aug. 13, 2013, 8:20 AM), <http://www.dailymail.co.uk/news/article-2187698/Melissa-Petro-Former-prostitute-stripper-BACK-classroom-time-shes-teaching-adults.html>.

<sup>68</sup> See, e.g., Jan Skutch, *Savannah Doctor Accused of Trading Drugs for Sex with Strippers*, AUGUSTA CHRON. (Jan. 31, 2013, 7:59PM), <http://chronicle.augusta.com/news/crime-courts/2013-01-31/savannah-doctor-accused-trading-drugs-sex-strippers>.

<sup>69</sup> Danny Hakim & William K. Rashbaum, *Spitzer is Linked to Prostitution Ring*, N.Y. TIMES (Mar. 10, 2008), <http://www.nytimes.com/2008/03/10/nyregion/10cnd-spitzer.html>.

bad acts can happen *anywhere*, and I would not be so quick to assume that nude entertainment automatically leads to the dark side of the human condition.

The third logical flaw in the Court's secondary effects rationale exposes the weakest point of them all: the idea of requiring female dancers to wear pasties and a G-string would miraculously eliminate the secondary effects (which would include raising the neighborhood property values; the Court never bothered to try to explain how *that* could be possible). Perhaps that idea might be plausible if the pasties had barbed wire in front and back, and the G-string was actually a cast iron chastity belt. This logic (or lack thereof) further assumes that if I for example wanted to meet a prostitute for the weekend and smoke crack with her after having sex, I would lose that desire the very second I saw a female dancer wearing pasties and a G-string. No matter how strong my "cravings" might be, they would automatically disintegrate as soon as I saw covered-up body parts. This idea is just laughable; if I wanted it bad enough, I can certainly find it. Needless to say, (but I will) I think the absolute stupidity of the Court's reasoning speaks for itself here, and I can certainly understand the original premise<sup>70</sup> regarding the fear of the nude female body that can result in some court decisions (such as this one) that are just *asinine*!

Aside from the potential implications of *Pap's A.M.*, the fact remains that applying the secondary effects doctrine in the context of nude dancing to justify public nudity laws like the Erie ordinance simply fails to pass the laugh test. Compliance typically requires nothing but pasties and a G-string.

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<sup>70</sup> Adler, *supra* note 61, at 1109.

How much of an effect can this possibly have on the harmful secondary effects that cities like Erie assert? Will the mere masking of a nipple with a dime-sized circle of latex magically send prostitutes elsewhere, eliminate assaults, reduce AIDS, and restore property values? The premise is ludicrous. Justice O'Connor attempts to respond to this obvious flaw in her secondary effects analysis by arguing that cities should have latitude to 'experiment' with solutions to such serious problems. Some experiments, however, are more justified than others. Perhaps Justice O'Connor should have applied the same 'common sense' that she so approved of when discussing a municipality's burden in showing secondary effects.<sup>71</sup>

### CONCLUSION

As ridiculous as it sounds, consider the following: In New York City, the sales tax rate (as of this writing) is 8.875 per cent.<sup>72</sup> Now that the New York Court of Appeals has ruled in favor of the Department of Taxation and Finance, this now means that the next time someone goes into a strip club and wants to give a ten dollar tip to an exotic dancer, it will not be enough; he will have to give a tip of ten dollars and eighty nine cents. If we carry this scenario to its logical conclusion, the dancer could conceivably wedge the ten-dollar bill into her G-String. But then, where does she put the other eighty-nine

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<sup>71</sup> Case, *supra* note 57, at 1211.

<sup>72</sup> NEW YORK STATE DEP'T OF TAX & FIN., ST-810, QUARTERLY SALES AND USE TAX RETURN FOR PART-QUARTERLY (MONTHLY) FILERS 3 (2013), [http://www.tax.ny.gov/pdf/current\\_forms/st/st810.pdf](http://www.tax.ny.gov/pdf/current_forms/st/st810.pdf).

cents? Might she need to have a change purse or coin sorter somehow attached to her costume? In addition, this could raise the possibility that she may claim the coin sorter as an itemized deduction on her federal tax return for work related clothing.<sup>73</sup>

On July 5, 2013, Nite Moves filed a petition with the United States Supreme Court to review the Court of Appeals' decision.<sup>74</sup> My prognostication at the time was that the currently conservative Court would most likely hide behind its secondary effects illogic and uphold the New York tax. Unfortunately, things did not make it that far. On October 17, 2013, the United States Supreme Court denied Nite Moves' petition for certiorari.<sup>75</sup> Now that this is the final disposition of the issue, I have a suggestion where Nite Moves could provide nude entertainment and *still* qualify for the sales tax exemption.

My suggestion is this: Nite Moves could give nude performances of Shakespeare plays (*Macbeth*, *Hamlet*, *King Lear*, *Taming of the Shrew*, etc. They could even throw in a nude interpretation of *Ocean's Eleven*.<sup>76</sup>). The hook would still be live nude entertainment, and I think such a performance would be well within both the spirit (and more important) the *letter* of the law. I doubt that anyone from the Division could convincingly (let alone coherently) argue that Shakespeare is not art. As the old adage suggests, "where there's a will, there's a way." Thus, as

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<sup>73</sup> I.R.C. § 162 (2012).

<sup>74</sup> 677 New Loudon Corp. v. State of New York Tax Appeals Tribunal, 979 N.E.2d 1121 (N.Y. 2012), *petition for cert. filed*, 2013 WL 3458158 (U.S. Jul. 5, 2013) (No. 13-38).

<sup>75</sup> 677 New Loudon Corp. v. State of New York Tax Appeals Tribunal, 979 N.E.2d 1121 (N.Y. 2012), *petition denied*, 134 S.Ct. 422 (U.S. Oct. 15, 2013) (No. 13-38).

<sup>76</sup> OCEAN'S ELEVEN (Warner Brothers, 1960).

long as such a performance is planned and done right within the rules of New York State tax law, not even a G-string could get in the way.



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*Article*

**Reports of Its Death Are Greatly  
Exaggerated: *eBay*, *Bosch*, and the  
Presumption of Irreparable Harm  
in Hatch-Waxman Litigation**

*Kenneth C. Louis\**

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\* J.D. Candidate, Rutgers School of Law – Newark, May 2014. B.A., California State University, East Bay, 2006. Managing Editor, *Rutgers Computer & Technology Law Journal*. Many thanks to my friends, classmates, family, teachers, and mentors for friendship, guidance, and support. Special thanks to Joshua S. Bratspies, associate, Riker, Danzig, Scherer, Hyland & Perretti, LLP in Morristown, New Jersey for a summer assignment that grew legs and became this Article; thank you for your help and continuing mentorship. Last, but not least, very special thanks to my fiancée Grace Boone for her unyielding love. I wouldn't be here without you.



### ***Abstract***

This Article examines the preliminary injunction standard in pharmaceutical patent infringement actions pursuant to the Hatch-Waxman Act. Prior to Supreme Court's decision in *eBay v. MercExchange, L.L.C.* in 2006, federal courts applied a presumption of irreparable harm when a patent holder established a likelihood of success on the merits. While the *eBay* Court abrogated the presumption of irreparable harm in permanent injunctions, courts have been unclear as to application of *eBay* on preliminary injunctions. This Article will further examine preliminary injunctions in Hatch-Waxman actions in the District of New Jersey since *eBay* in 2006 and argue that courts still tacitly apply the irreparable harm presumption.

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## INTRODUCTION

In 2010, sales of prescription drugs in the United States totaled over \$300 billion.<sup>1</sup> In the same year, sales of generic drugs were valued at \$78 billion.<sup>2</sup> Six of the world's ten largest pharmaceutical companies are based in the United States.<sup>3</sup> Approximately eighty percent of the world's research in biotechnology and pharmaceuticals are conducted by

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<sup>1</sup> Brittany Hart, *Pharmaceutical Sales Top \$300 Billion in 2010*, DAYTON BUS. J. (Apr. 19, 2011, 2:58 PM), <http://www.bizjournals.com/dayton/news/2011/04/19/pharmaceutical-sales-top-300-billion.html>.

<sup>2</sup> *The Pharmaceutical Industry in the United States*, SELECTUSA, <http://selectusa.commerce.gov/industry-snapshots/pharmaceutical-industry-united-states> (last visited Feb. 5, 2014).

<sup>3</sup> *Pharmaceutical Industry*, WORLD HEALTH ORG., <http://www.who.int/trade/glossary/story073/en/index.html> (last visited Feb. 5, 2014).

American pharmaceutical companies.<sup>4</sup> In other words, the drug business is big business in America.

The pharmaceutical industry can be roughly divided into two categories; brand name manufacturers, also called “innovator companies,” and generic manufacturers.<sup>5</sup> Generic drugs are bioequivalent<sup>6</sup> versions of brand name medication and present significant savings to consumers.<sup>7</sup> The development cost of a generic drug is much lower in comparison to that of a brand name drug.<sup>8</sup> The process of research and clinical trials for a new drug usually takes ten to fifteen years and can cost an innovator company upwards of \$800 million.<sup>9</sup> Brand name medications are protected by patents and the process in which generic drugs enter the market is governed by the Hatch-Waxman Act.<sup>10</sup>

The Hatch-Waxman Act was passed with the

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<sup>4</sup> *The Pharmaceutical Industry in the United States*, *supra* note 2.

<sup>5</sup> *See Greater Access to Generic Drugs*, U.S. FOOD & DRUG ADMIN., <http://www.fda.gov/drugs/resourcesforyou/consumers/ucm143545.htm> (last visited Feb. 5, 2014).

<sup>6</sup> Christopher J. Kochevar, Note, *Reforming Judicial Review of Bioequivalence Determinations*, 87 N.Y.U. L. REV. 2040, 2042 (2012) (“[B]ioequivalence’ [is] an approximation of identity between a generic drug and an approved innovator product.”).

<sup>7</sup> *Greater Access to Generic Drugs*, *supra* note 5. (“[T]he average price for a prescription for a brand-name drug is \$84.20, while the average price for a generic drug prescription is \$30.56.”).

<sup>8</sup> Wansheng Jerry Liu, *Balancing Accessibility and Sustainability: How to Achieve the Dual Objectives of the Hatch-Waxman Act While Resolving Antitrust Issues in Pharmaceutical Patent Settlement Cases*, 18 ALB. L.J. SC. & TECH. 441, 447 (2008).

<sup>9</sup> *Id.* at 482.

<sup>10</sup> *Greater Access to Generic Drugs*, *supra* note 5.

intention to give innovator companies additional incentives to develop new drugs while giving the American consumer savings by expanding the generics market.<sup>11</sup> Since the enactment of the Hatch-Waxman Act, the market share held by generic drugs has increased from under twenty percent in 1984 to nearly eighty percent in 2010.<sup>12</sup>

This Article will discuss the preliminary injunction factors as applied when an innovator company seeks to enjoin a generic maker from releasing a competing product during the course of litigation under the Hatch-Waxman Act. Specifically, this Article will argue that the presumption of irreparable harm, which was abrogated by the Supreme Court in *eBay, Inc. v. MercExchange, L.L.C.*, still exists even if the presumption is not explicitly applied. Part I will briefly discuss Federal jurisdiction in patent matters. Part II will discuss the four preliminary injunction factors and its development in patent law, including *eBay* and its subsequent line of cases. Part III will explain the historical context which led to the passage of the Hatch-Waxman Act and discuss in detail the process by which a generic drug is approved for market. Part IV will be a survey of pharmaceutical patent cases before the District of New Jersey since the *eBay* decision in 2006. This Article will conclude by arguing that the presumption of harm still exists,<sup>13</sup> how a tacit application of the presumption is permissible under current law, and propose that

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<sup>11</sup> See *infra* Part III.B.

<sup>12</sup> Liu, *supra* note 8, at 456; Karen von Koeckritz, *Generic Drug Trends – What’s Next?*, PHARMACY TIMES (Apr. 11, 2012), <http://www.pharmacytimes.com/publications/issue/2012/April2012/Generic-Drug-Trends-Whats-Next->.

<sup>13</sup> This Article will only discuss the presumption of harm as it exists within the District of New Jersey.

Congress amend the Hatch-Waxman Act to allow for the presumption of harm in preliminary injunction determinations.

## **I. FEDERAL JURISDICTION IN PATENT MATTERS**

Federal courts have original and exclusive jurisdiction in all matters “arising under any Act of Congress relating patents, . . . copyrights and trademarks.”<sup>14</sup> Patents have been within the ambit of Federal jurisdiction since the earliest days of the Republic.<sup>15</sup> In 1982, Congress created the United States Court of Appeals for the Federal Circuit as one of the provisions of the Federal Courts Improvement Act.<sup>16</sup> The legislation gave the Federal Circuit exclusive jurisdiction over appeals from the district courts in patent cases.<sup>17</sup> As a result, the new Federal Circuit’s jurisdiction in patent matters was much broader than that of one of the courts it replaced, the United States Court of Customs and Patent Appeals (CCPA).<sup>18</sup> Previously, the CCPA only had jurisdic-

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<sup>14</sup> 28 U.S.C. § 1338(a) (2012).

<sup>15</sup> See U.S. CONST. art. I, § 8; see also 8 DONALD S. CHISUM, CHISUM ON PATENTS § 21.02(1)(a)(i) (2013) (“Section 17 of the Patent Act of 1836 conferred jurisdiction without regard to amount over ‘all actions, suits, controversies, and cases arising under any law of the United States, granting or confirming to inventors the exclusive right to their inventions or discoveries.’”).

<sup>16</sup> Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (codified as amended in scattered sections of 28 U.S.C.).

<sup>17</sup> 28 U.S.C. § 1295(a)(1) (2012); see also Joseph R. Re, *Brief Overview of the Jurisdiction of the U.S. Court of Appeals for the Federal Circuit Under § 1295(a)(1)*, 11 FED. CIR. B.J. 651, 654 (2001).

<sup>18</sup> AM. BAR ASS’N, REPORT ON THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT 6-7 (2002), *available at*

tion over appeals from the United States Patent and Trademark Office.<sup>19</sup> Prior to the creation of the Federal Circuit, patent suits filed in the district courts were appealed to the regional circuit courts.<sup>20</sup> Currently, circuit splits do not exist in patent law because all patent appeals are reviewed by the Federal Circuit.<sup>21</sup>

## II. THE PRELIMINARY INJUNCTION STANDARD: PAST AND PRESENT

Congress has given courts power to “grant injunctions in accordance to the principles of equity” in patent cases.<sup>22</sup> Courts use the traditional four equitable factors to determine whether a preliminary injunction is proper.<sup>23</sup>

The first factor, likelihood of success on the merits, undergoes a two-step analysis in patent in-

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[http://www.morganlewis.com/pubs/2951F5BA-25A3-457D-B4B2CA99691EE6F1\\_Publication.pdf](http://www.morganlewis.com/pubs/2951F5BA-25A3-457D-B4B2CA99691EE6F1_Publication.pdf).

<sup>19</sup> *Id.*

<sup>20</sup> *See, e.g.,* Eli Lilly & Co. v. Premo Pharm. Labs., Inc., 630 F.2d 120 (3d Cir. 1980).

<sup>21</sup> *Cf.* Erin V. Klewin, Note, *Reconciling Federal Circuit Choice of Law with eBay v. MercExchange’s Abrogation of the Presumption of Irreparable Harm in Copyright Preliminary Injunctions*, 80 FORDHAM L. REV. 2113, 2118-23 (2012) (noting that in copyright matters, also affected by the holding in *eBay*, the Federal Circuit only has jurisdiction in pendant matters and applies regional circuit law in those cases).

<sup>22</sup> 35 U.S.C. § 283 (2012).

<sup>23</sup> *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1350 (Fed. Cir. 2001) (citing *Reebok Int’l Ltd. v. J. Baker, Inc.*, 32 F.3d 1552, 1555 (Fed. Cir. 1994)) (“(1) a reasonable likelihood of success on the merits; (2) irreparable harm if an injunction is not granted; (3) a balance of hardships tipping in its favor; and (4) the injunction’s favorable impact on the public interest.”).

fringement cases.<sup>24</sup> The plaintiff must establish that the defendant has infringed on the patent.<sup>25</sup> First, the court determines the scope of the patent claims.<sup>26</sup> Then, the allegedly infringing product is compared to see if it lies within the scope of the patent.<sup>27</sup> Under the doctrine of equivalents, a product may still be infringing if it performs in the same manner to achieve the same results as the original invention.<sup>28</sup>

Further, the plaintiff must also establish that the patent can withstand the defendant's claim of invalidity.<sup>29</sup> Typically, defendants allege that the patented product is obvious, meaning the patent is invalid under 35 U.S.C. § 103(a).<sup>30</sup> Courts employ a four factor analysis in determining obviousness.<sup>31</sup> The courts have also acknowledged that new inven-

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<sup>24</sup> *Tate Access Floors, Inc. v. Interface Arch. Resources, Inc.*, 279 F.3d 1357, 1365 (Fed. Cir. 2002) (citing *Amazon.com*, 239 F.3d at 1351).

<sup>25</sup> *Id.*

<sup>26</sup> *Aventis Pharm., Inc. v. Barr Labs., Inc.*, 411 F.Supp.2d 490, 494 (D.N.J. 2006) (quoting *Amazon.com*, 239 F.3d at 1351).

<sup>27</sup> *Id.*

<sup>28</sup> *Syntex Pharm. Int'l, Ltd. v. K-Line Pharm., Ltd.*, 721 F.Supp. 653, 660-61 (D.N.J. 1989) (citing *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608 (1950)).

<sup>29</sup> *See Tate*, 279 F.3d at 1365 (citing *Hybritech, Inc. v. Abbott Labs.*, 849 F.2d 1446, 1451).

<sup>30</sup> *Altana Pharma AG v. Teva Pharm. USA, Inc.*, 532 F.Supp.2d 666, 674 (D.N.J. 2007) *aff'g*, 566 F.3d 399 (Fed. Cir. 2009); *see also* 35 U.S.C. § 103(a) (2012).

<sup>31</sup> *Id.* (citing *PharmaStem Therapeutics, Inc. v. Viacell, Inc.*, 491 F.3d 1342, 1359 (Fed. Cir. 2007)) ("Factual determinations that are relevant to the obviousness inquiry are: (1) the scope and content of the prior art; (2) the differences between the claimed invention and the prior art; (3) the level of ordinary skill in the art; and (4) secondary considerations or objective indicia of non-obviousness.").

tions are often built upon prior innovations.<sup>32</sup> The Supreme Court has, on occasion, upheld patents comprised of knowledge of prior patents when the new patent aimed to solve a problem previously not apparent.<sup>33</sup>

The second factor, irreparable harm, also called irreparable injury, is defined as “[a]n injury that cannot be adequately measured or compensated by money.”<sup>34</sup> In other words, an injury is irreparable if money damages at the conclusion of a trial are insufficient to make the plaintiff whole.<sup>35</sup> Professor Donald Chisum notes that courts have been inconsistent in irreparable harm determinations and “tend to find irreparable injury when the plaintiff makes a strong case of validity and infringement and to find no such injury when plaintiff makes only a weak case.”<sup>36</sup> This inconsistency will be discussed in depth further in this Article.<sup>37</sup>

The balance of hardships generally weighs in favor of the innovator company in Hatch-Waxman litigation. When a generic is released, the innovator company suffers harm through price erosion and loss of market share.<sup>38</sup> Courts have been reluctant to weigh the factor in favor of defendants since any loss suffered by a generic maker incurred during the duration of the suit would simply be sales “time-

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<sup>32</sup> *Id.* (citing *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 418-20 (2007)).

<sup>33</sup> *Id.* (citing *KSR*, 550 U.S. at 419).

<sup>34</sup> BLACK’S LAW DICTIONARY 856 (9th ed. 2009).

<sup>35</sup> 7 CHISUM, *supra* note 15, at § 20.04(1)(e).

<sup>36</sup> *Id.*

<sup>37</sup> *See infra* Part IV.

<sup>38</sup> *See infra* text accompanying notes 153-54.



shifted” into the future.<sup>39</sup> Thus, the balance of hardships rarely weigh in favor of the generic maker.<sup>40</sup>

Likewise, in Hatch-Waxman litigation, the public interest will generally weigh in favor of the plaintiff.<sup>41</sup> Innovator companies often advance the argument that the public interest is served when the patent rights are enforced to exclude generic makers during the patent’s term of exclusivity.<sup>42</sup> Further, they also argue that profits generated during the exclusivity period fund research benefiting newer medications.<sup>43</sup> Generic makers will often argue that the public interest is best served when the public has access to lower cost medication.<sup>44</sup> However, the Federal Circuit has been clear that the enforcement of patent rights outweighs the public’s access to more affordable medication.<sup>45</sup>

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<sup>39</sup> Albany Molecular Research, Inc. v. Dr. Reddy’s Labs., Inc., No. 09-4638 (GEB-MCA), 2010 WL 2516465, at \*11 (D.N.J. June 14, 2010).

<sup>40</sup> King Pharm., Inc. v. Sandoz, Inc., No. 08-5973 (GEB-DEA), 2010 WL 1957640, at \*1, 6 (D.N.J. May 17, 2010) (explaining that when a prior TRO enjoining the defendant from releasing a generic was dissolved when the plaintiff’s authorized generic maker released their version early, the court weighed the balance of the hardships in favor neutrally because the defendant’s exclusivity period as the first generic maker under the Hatch-Waxman Act had been encroached upon, and denied the preliminary injunction).

<sup>41</sup> See, e.g., Pfizer, Inc. v. Teva Pharm. USA, Inc., 429 F.3d 1364, 1382 (Fed. Cir. 2005) (The Hatch-Waxman Act does not “encourage or excuse the infringement of infringing valid pharmaceutical patents.”).

<sup>42</sup> Novartis Pharm. Corp. v. Teva Pharm. USA, Inc. (*Novartis I*), No. 05-CV-1887 (DMC), 2007 WL 2669338, at \*15 (D.N.J. Sept. 6, 2007).

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

<sup>45</sup> Pfizer, Inc. v. Teva Pharm. USA, Inc., 429 F.3d 1364, 1382 (Fed. Cir. 2005) (quoting Payless Shoesource, Inc. v. Reebok

**A. *The Presumption of Irreparable  
Harm Prior to eBay***

Soon after its establishment, the Federal Circuit held that a plaintiff is entitled to a presumption of irreparable harm when it establishes a likelihood success on the merits.<sup>46</sup> The court further elaborated in a subsequent case that the presumption is derived “in part from the finite term of the patent grant, for patent expiration is not suspended during litigation.”<sup>47</sup> The value of the patent is based on exclusivity and monetary damages are insufficient to make up for lost exclusivity.<sup>48</sup>

However, the Federal Circuit also held that presumption of irreparable harm was a rebuttable presumption.<sup>49</sup> The *Reebok* case illustrates an instance when the presumption of irreparable harm was rebutted through evidence.<sup>50</sup> In November 1992, Reebok began manufacturing and selling the SHAQ I shoe and heavily promoted the shoe with basketball great Shaquille O’Neal.<sup>51</sup> Over a year later in December 1993, a patent was issued protecting the design of the shoe.<sup>52</sup> As soon as the patent was issued, Reebok served a complaint on J. Baker alleging that their Olympian shoe infringed on the design of the

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Int’l, Ltd., 998 F.2d 985, 991 (Fed. Cir. 1993)) (“Selling a lower priced product does not justify infringing a patent.”).

<sup>46</sup> 7 CHISUM, *supra* note 15, at § 20.04(1)(c)(iii)(e)(i) (citing Smith Int’l, Inc. v. Hughes Tool Corp., 718, F.2d 1573 (Fed. Cir. 1983)).

<sup>47</sup> *Id.* (quoting H.H. Robertson Co. v. United Steel Deck, Inc., 820 F.2d 384, 390 (Fed. Cir. 1987)).

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* (quoting Ill. Tool Works, Inc. v. Grip-Pak, Inc., 906 F.2d 679, 681 (Fed. Cir. 1990)).

<sup>50</sup> Reebok Int’l v. J. Baker, Inc., 32 F.3d 1552 (Fed. Cir. 1994).

<sup>51</sup> *Id.* at 1554.

<sup>52</sup> *Id.*

SHAQ I.<sup>53</sup> J. Baker had been manufacturing and selling the Olympian shoe since July 1993.<sup>54</sup>

The district court denied Reebok's motion to enjoin J. Baker from selling their remaining inventory of the Olympians.<sup>55</sup> The Federal Circuit affirmed the district court's decision because J. Baker presented sufficient evidence to rebut the presumption that Reebok would suffer irreparable harm.<sup>56</sup> J. Baker had established that Reebok had discontinued the SHAQ I in favor a newer shoe, the SHAQ II.<sup>57</sup> The court reasoned that future purchasers of the Olympians "would not likely confuse that shoe" with the SHAQ I because Reebok had ceased all manufacture and promotion of the shoe.<sup>58</sup> Because J. Baker only had a limited supply of the Olympians, any harm Reebok would have suffered could be sufficiently compensated by money damages.<sup>59</sup> Thus, J. Baker was successful in rebutting Reebok's presumption of harm and the district court properly denied a preliminary injunction to Reebok.<sup>60</sup> However, Reebok is the exception rather than the rule; plaintiffs who establish a likelihood of success on the merits often succeed in enjoining the infringing party.<sup>61</sup>

### **B. eBay, Inc. v. MercExchange, L.L.C.**

It is commonly understood that the holding in

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<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> *Id.* at 1558.

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.* at 1559.

<sup>61</sup> See *supra* text accompanying note 36; see also discussion *infra* Part IV.

*eBay* eliminated the presumption of irreparable harm in preliminary injunction determinations.<sup>62</sup> However, the issue before the Supreme Court in *eBay* was a permanent injunction and neither preliminary injunctions nor the presumption of irreparable harm were explicitly mentioned.<sup>63</sup>

MercExchange patented a process that “facilitate[d] the sale of goods between private individuals by establishing a central authority to promote trust among participants” in an online marketplace.<sup>64</sup> *eBay* and Half.com, its subsidiary, had been negotiating with MercExchange to purchase its technology but the talks broke down.<sup>65</sup> After the cessation of the negotiations, MercExchange filed a patent infringement suit against *eBay*.<sup>66</sup>

A jury found at trial that MercExchange’s patent was valid, *eBay* had infringed on their patent, and awarded damages to the plaintiff.<sup>67</sup> However, the district court denied permanent injunctive relief to MercExchange.<sup>68</sup> The Federal Circuit reversed, citing to its general rule that courts will issue a per-

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<sup>62</sup> See, e.g., *Ortho McNeil Pharm., Inc. v. Barr Labs., Inc.*, No. 03-4678 (SRC), 2009 WL 2182665, at \*9 (D.N.J. July 22, 2009) (“[T]he Court is of the view that the presumption of irreparable harm did not survive the Supreme Court’s decision in [*eB*]ay.”) (citation omitted); Klewin, *supra* note 21, at 2129-30.

<sup>63</sup> *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 390 (2006).

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*; Miranda Jones, Note, *Permanent Injunction, a Remedy by Any Other Name is Patently Not the Same: How eBay v. MercExchange Affects the Patent Right of Non-Practicing Entities*, 14 GEO. MASON L. REV. 1035, 1054-55 (2007) (explaining the dispute arose from MercExchange alleging that *eBay*’s “Buy it Now” feature infringed their patents).

<sup>67</sup> *eBay*, 547 U.S. at 390-91.

<sup>68</sup> *Id.*

manent injunction “once infringement and validity have been adjudged.”<sup>69</sup>

Justice Thomas enunciated that courts should not depart from traditional notions of equity without legislative authorization.<sup>70</sup> Justice Thomas further cited to specific language in 35 U.S.C. § 283 revealing the legislative intent not to stray from equitable principles.<sup>71</sup> Having rejected the Federal Circuit’s general rule favoring permanent injunctions, the case was remanded for proceedings consistent with the traditional four part analysis for injunctive relief.<sup>72</sup> When the matter was remanded to the lower courts eBay refused to settle.<sup>73</sup> By 2008, eBay had purchased the patent and related technologies from MercExchange.<sup>74</sup>

### ***C. Confusion and Clarity After eBay***

The Supreme Court was not clear as to whether its holding in *eBay* applied to the irreparable harm presumption in preliminary injunctions.<sup>75</sup> The Federal Circuit did not bring clarity when it sidestepped

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<sup>69</sup> *Id.* at 393-94 (quoting *MercExchange, L.L.C. v. eBay, Inc.*, 401 F.3d 1323, 1338 (Fed. Cir. 2005)) (internal quotations omitted).

<sup>70</sup> *Id.* at 391-92.

<sup>71</sup> *Id.*

<sup>72</sup> *Id.* at 394.

<sup>73</sup> Ina Steiner, *eBay v MercExchange Patent War: It’s Over*, ECOMMERCEBYTES.COM (Feb. 28, 2008), <http://www.ecommercebytes.com/cab/abn/y08/m02/i28/s00>.

<sup>74</sup> *Id.*

<sup>75</sup> *eBay*, 547 U.S. at 394 (“We hold only that the decision whether to grant or deny injunctive relief rests within the equitable discretion of the district courts, and that such discretion must be exercised consistent with traditional principles of equity, in patent disputes no less than in other cases governed by such standards.”).

the irreparable harm presumption in one of its first patent decisions post-*eBay*.<sup>76</sup> In *Abbott*, the court vacated a preliminary injunction and reversed the district court's irreparable harm determination.<sup>77</sup> The court reasoned that Abbott was not entitled to a finding of irreparable harm on the basis that Abbott failed to establish the first factor.<sup>78</sup> While acknowledging the holding of *eBay*, the Federal Circuit was not clear as to the survival of the irreparable harm presumption.<sup>79</sup> Without offering additional reasons as to why Abbott was denied a finding of irreparable harm, the Federal Circuit did not fully decouple the first two preliminary injunction factors.<sup>80</sup>

The Federal Circuit sidestepped the presumption of harm issue for a second time in *Sanofi-Synthelabo v. Apotex, Inc.*<sup>81</sup> Apotex argued that the trial court erred in applying the presumption of irreparable harm contrary to the holding in *eBay*.<sup>82</sup> The Federal Circuit reasoned that Sanofi had established irreparable harm and declined to rule on the

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<sup>76</sup> See *Abbott Labs. v. Andrx Pharm., Inc.*, 452 F.3d 1331 (Fed. Cir. 2006).

<sup>77</sup> *Id.* at 1347-48.

<sup>78</sup> *Id.* at 1347.

<sup>79</sup> *Id.* (“[W]e conclude that Abbott has not established a likelihood of success on the merits. As a result, *Abbott is no longer entitled to a presumption of irreparable harm.*”) (emphasis added).

<sup>80</sup> See *id.*

<sup>81</sup> *Sanofi-Synthelabo v. Apotex, Inc.*, 470 F.3d 1368 (Fed. Cir. 2006).

<sup>82</sup> *Id.* at 1383, n.9 (“Apotex contends that applying such a presumption is in direct contravention of the Supreme Court’s decision in *eBay Inc. v. MercExchange, L.L.C.* Because we conclude that the district court did not clearly err in finding that Sanofi established several kinds of irreparable harm, including irreversible price erosion, we need not address this contention.”) (citations omitted).

presumption.<sup>83</sup> In 2008, Federal Circuit declined to rule on presumption of harm for the third time in *Amado v. Microsoft Corporation* stating it was unnecessary for the court to make a definitive ruling on the issue.<sup>84</sup>

The lack of a clear ruling from the Federal Circuit led to confusion among the district courts.<sup>85</sup> Some courts continued to apply the presumption of harm noting that *eBay* only applied to permanent injunctions.<sup>86</sup> Others ruled that *eBay* had eliminated the presumption.<sup>87</sup> There is even an instance where a court ruled that eBay had eliminated the presumption but declined to apply the presumption only because the plaintiff failed to establish success on the merits.<sup>88</sup>

In 2011, the Federal Circuit finally announced

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<sup>83</sup> *Id.*

<sup>84</sup> *Amado v. Microsoft Corp.*, 517 F.3d 1353, 1359 n.1 (Fed. Cir. 2008) (“We find it unnecessary to reach this argument, however, because *regardless of whether there remains a rebuttable presumption of irreparable harm following eBay*, the district court was within its discretion to find an absence of irreparable harm based on the evidence presented at trial.”) (emphasis added).

<sup>85</sup> *See, e.g., Everett Labs., Inc. v. Breckenridge Pharm., Inc.*, 573 F.Supp.2d 855, 866 (D.N.J. 2008) (“In the wake of [the *eBay*] decision, the Federal Circuit has neither overruled its cases applying the presumption of irreparable harm nor offered an explicit directive on whether (1) to apply the presumption on a motion for a preliminary injunction or (2) the presumption exists at all.”).

<sup>86</sup> *See, e.g., Abbott Labs.v. Andrx Pharm., Inc.* 452 F.3d 1331, 1347-48 (Fed. Cir. 2006).

<sup>87</sup> *See, e.g., Ortho McNeil Pharm., Inc. v. Barr Labs., Inc.*, No. 03-4678 (SRC), 2009 WL 2182665, at \*9 (D.N.J. July 22, 2009).

<sup>88</sup> *Klewin, supra* note 21, at 2136 (citing *Wireless TV Studios, Inc. v. Digital Dispatch Systems, Inc.*, No. 07 CV 5103, 2008 WL 2474626, at \*3 (E.D.N.Y. June 19, 2008)).

that “*eBay* jettisoned the presumption of irreparable harm as it applies to determining the appropriateness of [preliminary] injunctive relief.”<sup>89</sup> However, in the absence of the presumption, courts can still reach similar results by examining the patent holder’s right to exclude.<sup>90</sup> In “traditional” cases of patent infringement where both the patentee and infringer are manufacturing or using the technology courts are more likely to find irreparable harm.<sup>91</sup> This is in contrast to “non-traditional” cases like *eBay* where the patentee had not made a commercial use of the patent.<sup>92</sup>

### III. THE HATCH-WAXMAN ACT AND PHARMACEUTICAL PATENT ACTIONS

The Hatch-Waxman Act<sup>93</sup> was enacted to achieve two competing goals: protecting pharmaceutical patent rights and encouraging competition from generic pharmaceutical makers.<sup>94</sup> This Part will describe historical background the Act, the provisions of the Act, and the process outlined in the Act for the approval of generic pharmaceuticals.

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<sup>89</sup> *Robert Bosch LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1149 (Fed. Cir. 2011).

<sup>90</sup> *Id.*

<sup>91</sup> *Id.* at 1150-51.

<sup>92</sup> *Id.* at 1150 (citing *eBay v. MercExchange, L.L.C.*, 547 U.S. 388, 396-97 (Kennedy, J., concurring)).

<sup>93</sup> Drug Price Competition and Patent Term Restoration Act of 1984, Pub. L. No. 98-417, 98 Stat. 1585 (codified as amended in scattered sections of 15, 21, 35, and 42 U.S.C.).

<sup>94</sup> Elizabeth Stotland Weiswasser & Scott D. Danzis, *The Hatch-Waxman Act: History, Structure, and Legacy*, 71 ANTITRUST L.J. 585, 590 (2003).



***A. Pharmaceutical Approvals Prior to the Hatch-Waxman Act***

The Food and Drug Administration (FDA) was empowered by the Federal Food, Drug, and Cosmetic Act (FDCA) in 1938 to keep unsafe drugs from the market by reviewing all new drugs prior to market entry.<sup>95</sup> Under this Act, before a new drug was permitted to enter the market the manufacturer was required to submit a new drug application (NDA).<sup>96</sup> The NDA contained scientific studies attesting to the drug's safety.<sup>97</sup>

The FDA maintained a policy that kept any unpublished information submitted with an NDA as confidential.<sup>98</sup> It reasoned that if competitors had access to the information contained in the NDA, they could use the information as a shortcut in their own NDA submittals.<sup>99</sup> The FDA further reasoned that competing companies making identical or similar drugs would be less likely to invest in testing and safety practices if they could demonstrate the safety of their own products through the research of another drug maker.<sup>100</sup> The policies promulgated by the FDA at the time presented a barrier to generic makers.<sup>101</sup>

In 1962, the FDCA was amended to require drug makers to establish the effectiveness of their drugs in the NDA process in addition to the prior re-

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<sup>95</sup> *Id.* at 587; *see also* Federal Food, Drug, and Cosmetic Act of 1938, Pub. L. No. 75-717, 52 Stat. 1040 (1938) (codified as amended at 21 U.S.C. §§ 301-99f).

<sup>96</sup> Weiswasser & Danzis, *supra* note 94, at 587.

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> *See id.*

quirements.<sup>102</sup> Over time, drug makers were often required to run at least two clinical trials in order to “demonstrat[e] statistically significant benefits for consumers.”<sup>103</sup> Drug makers were often required to file for a patent before clinical trials.<sup>104</sup> The new requirements burdened the drug makers with lengthy studies and trials which eroded the exclusivity periods of their patents.<sup>105</sup>

In 1970, the FDA created the Abbreviated New Drug Application (ANDA), an approval process for generic drugs.<sup>106</sup> However, there were relatively few generic drugs on the market because the ANDA process primarily applied to generic versions of drugs approved prior to 1962.<sup>107</sup> Despite streamlining the ANDA process even further in 1980, there was very little generic competition in the market.<sup>108</sup>

There was great concern over the rise of prescription drug prices in the early 1980s.<sup>109</sup> Drug makers, without competition from generic makers, were able to charge high prices to recoup the immense cost of the FDA application process in the short period of effective exclusivity.<sup>110</sup> The need to

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<sup>102</sup> *Id.* at 588.

<sup>103</sup> *Id.*

<sup>104</sup> Pamela J. Clements, *The Hatch-Waxman Act and the Conflict Between Antitrust Law & Patent Law*, 48 IDEA 381, 386 (2008).

<sup>105</sup> *Id.* (noting that in some instances, drug makers lost “up to ten years” of exclusivity).

<sup>106</sup> Weiswasser & Danzis, *supra* note 94, at 589.

<sup>107</sup> *Id.*

<sup>108</sup> *Id.* at 590.

<sup>109</sup> *Id.*

<sup>110</sup> See B. Scott Eidson, Note, *How Safe is the Harbor? Considering the Economic Implications of Patent Infringement in Section 271(e)(1) Analysis*, 82 WASH. U. L.Q. 1169, 1172 (2004).

reduce drug prices through competition while increasing incentives for innovation set the stage for the Hatch-Waxman Act.

### ***B. The Hatch-Waxman Act***

The Hatch-Waxman Act was enacted with the intention “to balance two conflicting policy objectives: to induce name brand pharmaceutical firms to make the investments necessary to research and develop new drug products, while simultaneously enabling competitors to bring cheaper, generic copies of those drugs to market.”<sup>111</sup>

First, Congress incentivized innovator companies by creating a process that could extend patent exclusivity by up to five years.<sup>112</sup> Secondly, a generic drug could gain approval before the patent’s expiration, enabling a generic maker to release the product to market at the moment of expiration.<sup>113</sup> Further, the Act enabled a generic maker to challenge the patent’s validity, presenting an opportunity for generic drugs to reach the market even sooner.<sup>114</sup> The Act established a new ANDA process that also enabled generic makers to market versions of drugs approved after 1962.<sup>115</sup>

The Act also gave additional incentives for generic makers by granting a 180 day period of marketing exclusivity for the first generic maker that

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<sup>111</sup> Mylan Pharm., Inc. v. Thompson, 268 F.3d 1323, 1326 (Fed. Cir. 2001) (quoting Abbott Labs. v. Young, 920 F.2d 984, 991 (D.C. Cir. 1990) (Edwards, J., dissenting on other grounds)).

<sup>112</sup> Weiswasser & Danzis, *supra* note 94, at 590-91.

<sup>113</sup> Clements, *supra* note 104, at 388.

<sup>114</sup> *Id.*

<sup>115</sup> Weiswasser & Danzis, *supra* note 94, at 593.

successfully challenges a patent.<sup>116</sup> However, the exclusivity to a first filer can create a bottleneck for generics; the FDA will not approve any subsequent ANDAs pending the approval of the first ANDA, even in the absence of litigation.<sup>117</sup>

### ***C. The ANDA Process Under the Hatch-Waxman Act***

Under the Hatch-Waxman Act, the patents of all drugs approved through the NDA are recorded in their publication, *Approved Drug Products with Therapeutic Equivalence Evaluations*, more commonly known as the “Orange Book.”<sup>118</sup> Innovator companies enjoy a period of “data exclusivity” for five years in which a generic maker may not submit an ANDA.<sup>119</sup> After the data exclusivity period expires, generic drugs are approved provided that the generic is the “same and bioequivalent” to an approved patented drug.<sup>120</sup> Applications must contain the following:

- (1) a full list of articles used as components of the drug,
- (2) a full statement of the composition of the drug,
- (3) a full description of the methods used in, and the facilities and controls used for the manufacture, processing and packing of the drug,
- (4) samples of the drug and components as required by the FDA, and

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<sup>116</sup> *Id.* at 603.

<sup>117</sup> *Id.*

<sup>118</sup> *Id.* at 595.

<sup>119</sup> 21 U.S.C. § 355(c)(3)(E)(ii) (2012).

<sup>120</sup> 21 U.S.C. §§ 355(c)(3)(E)(iii), (j)(5)(F)(iii) (2012).

(5) sample labeling.<sup>121</sup>

Generic makers must also file one of the following certifications along with their ANDA:

- (I) that there are no patents listed in the Orange Book for the drug (a “Paragraph I” certification);
- (II) that the relevant patents have expired (a “Paragraph II” certification);
- (III) that the generic manufacturer will not seek approval of the ANDA until after the expiration of the relevant patent (a “Paragraph III” certification); or
- (IV) that such a patent is invalid or will not be infringed by the manufacture, use, or sale of the new generic drug for which the ANDA is submitted (a “Paragraph IV” certification).<sup>122</sup>

Generally, the first three certifications do not result in patent infringement litigation; the relevant patents have either expired or the generic maker will not release their product until after the patent’s expiration.<sup>123</sup> However, a Paragraph IV certification can be the opening salvo in litigation because the certification puts an innovator company on notice that their patent is being challenged.<sup>124</sup> Further, 35 U.S.C. § 271(e)(2) provides that conduct pursuant to an ANDA submittal with the purpose of challenging

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<sup>121</sup> Weisswasser & Danzis, *supra* note 94, at 595 (quoting 21 U.S.C. § 355(b)(1)(B)-(F) (2012)) (internal quotations omitted).

<sup>122</sup> *Id.* at 600 (citing 21 U.S.C. § 355(j)(2)(A)(vii) (2012)).

<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

a patent is considered infringement.<sup>125</sup>

The patent holder has forty five days to file suit after being served notice that a Paragraph IV certification has been filed.<sup>126</sup> If the patent holder does not file suit within the forty five day period the ANDA may be approved and the patent holder forfeits their rights to a stay of FDA approval for the generic.<sup>127</sup> If the suit is filed within the forty five day period, the FDA must stay the approval of the ANDA for thirty months.<sup>128</sup> The stay may be cut short by the patent's expiration, the patent's invalidation by a court ruling, or a finding that the patent was not infringed.<sup>129</sup> The ANDA is approved upon a finding that the patent is not valid or infringed.<sup>130</sup>

The FDA grants a thirty month stay only once.<sup>131</sup> An applicant will not be granted an additional stay for any subsequent Paragraph IV certifications.<sup>132</sup> After the expiration of the stay, the innovator company may move for a preliminary injunction to enjoin the generic maker from releasing their product.<sup>133</sup>

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<sup>125</sup> 35 U.S.C. § 271(e)(2) (2012); Clements, *supra* note 104, at 389. *But see* 35 U.S.C. § 271(e)(1) ("It shall not be an act of infringement to make, use, offer to sell, or sell within the United States or import into the United States a patented invention . . . solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs or veterinary biological products.").

<sup>126</sup> Weiswasser & Danzis, *supra* note 94, at 600.

<sup>127</sup> *Id.* at 601.

<sup>128</sup> *Id.*

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> *Id.* at 602.

<sup>132</sup> *Id.* at 603.

<sup>133</sup> *See id.* at 601-03

In the absence of a preliminary injunction, generic makers may attempt to release their product in an “at-risk launch.”<sup>134</sup> In such launches, the generic maker can be liable for a significant amount of damages if the generic maker is later ruled to have infringed the patent.<sup>135</sup> The threat of a large damage award, which can exceed the expected revenues of a generic drug, had kept at-risk launches at bay.<sup>136</sup> However, starting in 2007 generic makers have been more aggressive in releasing product before the conclusion of litigation.<sup>137</sup> Commentators have stressed the importance of preliminary injunctions by noting that preliminary injunctions have only been granted in two instances following an at-risk launch.<sup>138</sup>

#### IV. SURVEY OF PRELIMINARY INJUNCTIONS IN PHARMACEUTICAL PATENT INFRINGEMENT CASES POST-*EBAY* IN THE DISTRICT OF NEW JERSEY

A Westlaw search reveals sixteen cases in the District of New Jersey since the *eBay* decision in 2006 where an innovator company sought to enjoin a generic maker from an at-risk launch.<sup>139</sup> Prelimi-

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<sup>134</sup> Joseph M. O'Malley, Jr. et al., *Failure to Launch*, INTELLECTUAL PROP. MAGAZINE at 30, 30 (Apr. 2011), available at <http://www.paulhastings.com/assets/publications/1877.pdf>.

<sup>135</sup> *Id.*

<sup>136</sup> *Id.*

<sup>137</sup> *Id.*

<sup>138</sup> *Id.* at 31.

<sup>139</sup> Hoffman-La Roche Inc. v. Apotex Inc., 496 Fed.App'x 46 (Fed. Cir. 2012) (denying preliminary injunction); Warner Chilcott Labs. Ir. Ltd. v. Mylan Pharm. Inc., 451 Fed.App'x 935 (Fed. Cir. 2011) (appealing from the District of New Jersey, holding that the trial court's grant of preliminary injunction was an abuse of discretion); Hoffman-La Roche Inc. v. Cobalt Pharm. Inc., Nos. 07-4539(SRC)(MAS), 07-454(SRC)(MAS), 08-4054(SRC)(MAS), 2010 WL 4687839 (D.N.J. Nov. 10, 2010)

nary injunctions were granted in seven instances.<sup>140</sup> Although the District of New Jersey has held in 2009 that *eBay* had abrogated the presumption of irreparable harm, a finding of likelihood of success on the merits is still heavily linked to disposition of the sec-

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(granting preliminary injunction); *Albany Molecular Research, Inc. v. Dr. Reddy's Labs., Ltd.*, No. 09-4638(GEB-MCA), 2010 WL 2516465 (D.N.J. June 14, 2010) (granting preliminary injunction); *Sanofi-Aventis Deutschland GmbH v. Glenmark Pharm. Inc., USA*, No. 07-CV-5855(DMC), 2010 WL 2428561 (D.N.J. June 9, 2010) (denying preliminary injunction); *King Pharm., Inc. v. Sandoz, Inc.*, No. 08-5974(GEB-DEA), 2010 WL 1957640 (D.N.J. May 17, 2010); *King Pharm., Inc. v. Corepharma, LLC.*, No. 10-1878(GEB-DEA), 2010 WL 1850200 (D.N.J. May 7, 2010) (granting preliminary injunction); *Graceway Pharm., LLC v. Perrigo Co.*, 697 F.Supp.2d 600 (D.N.J. 2010) (denying preliminary injunction); *Tyco Healthcare Grp. LP v. Mut. Pharm. Co.*, No. 07-1299(SRC), 2009 WL 2422382 (D.N.J. Aug. 4, 2009) (denying preliminary injunction); *Ortho McNeil Pharm., Inc. v. Barr Labs., Inc.*, No. 03-4678(SRC), 2009 WL 2182665 (D.N.J. July 22, 2009) (granting preliminary injunction); *AstraZeneca LP v. Apotex, Inc.*, 623 F. Supp.2d 579 (D.N.J. 2009), *aff'd* 633 F.3d 1042 (Fed. Cir. 2010) (granting preliminary injunction); *Everett Labs., Inc. v. Breckenridge Pharm., Inc.*, 573 F. Supp.2d 855 (D.N.J. Aug. 28, 2008) (granting preliminary injunction); *Eisai Co., Ltd. v. Teva Pharm. USA, Inc.*, Nos. 05-5727(HAA)(ES), 07-5489(HAA)(ES), 2008 WL 1722098 (D.N.J. Mar. 28, 2008) (granting preliminary injunction); *Altana Pharma AG v. Teva Pharm. USA, Inc.*, 532 F. Supp.2d 666 (D.N.J. 2007) (denying preliminary injunction); *Novartis Pharm. Corp. v. Teva Pharm. USA, Inc. (Novartis I)*, No. 05-CV-1887(DMC), 2007 WL 2669338 (D.N.J. Sept. 6, 2007) (denying preliminary injunction); *Novartis Corp. v. Teva Pharm. USA, Inc. (Novartis II)*, Nos. 04-4473(HAA)(ES), 06-1130(HAA)(ES), 2007 WL 1695689 (D.N.J. June 11, 2007) (denying preliminary injunction).

<sup>140</sup> *Cobalt Pharm.*, 2010 WL 4687839; *Albany Molecular*, 2010 WL 2516465; *King Pharm.*, 2010 WL 1850200; *Ortho McNeil*, 2009 WL 2182665; *AstraZeneca*, 623 F. Supp 579; *Everett Labs.*, 573 F. Supp.2d 855; *Eisai*, 2008 WL 1722098.



ond injunction factor.<sup>141</sup>

*Hoffman-La Roche, Inc. v. Apotex, Inc.*, a recent case before the District of New Jersey, illustrates how the first preliminary injunction factor can be dispositive.<sup>142</sup> The drug at issue was Boniva, a treatment for osteoporosis.<sup>143</sup> U.S. Patent 4,927,814 (the “814 patent”) was for one of the ingredients for Boniva, while the other two patents, U.S. Patents 7,410,957 (the “957 patent”) and 7,718,634 (the “634 patent”) were for the method of treatment.<sup>144</sup> Hoffman-La Roche, referred to throughout the case as simply Roche, sought to enjoin generic makers from releasing their versions of Boniva after the expiration of the ’814 patent in March 2012.<sup>145</sup>

The defendants in *Hoffman-La Roche* mounted a vigorous challenge to the validity of the ’957 and ’634 patents.<sup>146</sup> The defendants cited to numerous studies, reports, and patents dating back to the late 1990s trying to establish that the industry was researching a weekly or monthly treatment for osteoporosis.<sup>147</sup> The defendants argued that the ’957 and

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<sup>141</sup> See *Ortho McNeil*, 2009 WL 2182665, at \*9-10 (D.N.J. July 22, 2009).

<sup>142</sup> *Hoffmann-La Roche Inc. v. Apotex Inc.*, Nos. 07-4417(SRC)(MAS), 08-3065(SRC)(MAS), 08-4053(SRC)(MAS), 10-6241(SRC)(MAS), 07-4661(SRC)(MAS), 08-4052(SRC)(MAS), 11-0579(SRC)(MAS), 07-4540(SRC)(MAS), 08-4054(SRC)(MAS), 10-6206(SRC)(MAS), 2012 WL 869572 (D.N.J. Mar. 14, 2012).

<sup>143</sup> *Id.* at \*1.

<sup>144</sup> U.S. Patent No. 4,927,814 (filed July 9, 1987); U.S. Patent No. 7,410,957 (filed May 6, 2003); U.S. Patent No. 7,718,634 (filed June 16, 2008).

<sup>145</sup> *Hoffman-La Roche v. Apotex*, 2012 WL 869572, at \*1.

<sup>146</sup> For the obviousness standard, see *Altana Pharma AG v. Teva Pharm. USA, Inc.*, 532 F.Supp.2d 666, 674 (D.N.J. 2007) *aff’g*, 566 F.3d 399 (Fed. Cir. 2009).

<sup>147</sup> *Hoffman-La Roche v. Apotex*, 2012 WL 869572, at \*3-6.

'634 patents would have been obvious to a pharmaceutical researcher on account of the published studies.<sup>148</sup> Moreover, Roche did not highlight "the ingenuity of the inventors," which is unusual when defending patent validity.<sup>149</sup>

The court concluded that Roche did not establish a likelihood of success on the merits and denied the motion for preliminary injunction.<sup>150</sup> However, the court declined to consider the other factors on basis of Roche failing to establish the first factor.<sup>151</sup> The court similarly considered only first factor in two other instances where the plaintiff's application for preliminary injunction was denied.<sup>152</sup>

While seeking a preliminary injunction, innovator companies often argue that an entry of a generic competitor causes price erosion and loss of market share.<sup>153</sup> This, in turn, causes job losses, reduction of research opportunities for newer drugs, and a loss of goodwill and brand equity.<sup>154</sup>

The court in *AstraZeneca v. Apotex, Inc.*, in concluding that AstraZeneca had shown sufficient evidence of irreparable harm, analyzed each of the plaintiff's arguments in depth.<sup>155</sup> First, the court concluded that the damages stemming from a loss of market share and price erosion are not irreparable

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<sup>148</sup> *Id.* at \*6.

<sup>149</sup> *Id.* at \*8.

<sup>150</sup> *Id.* at \*8-9.

<sup>151</sup> *Id.*

<sup>152</sup> *King Pharm., Inc. v. Sandoz, Inc.*, No. 08-5974(GEB-DEA), 2010 WL 1957640, at \*6 (D.N.J. May 17, 2010); *Tyco Healthcare Grp. LP v. Mut. Pharm. Co.*, No. 07-1299(SRC), 2009 WL 2422382, at \*7 (D.N.J. Aug. 4, 2009).

<sup>153</sup> *AstraZeneca LP v. Apotex, Inc.*, 623 F. Supp.2d 579, 608 (D.N.J. 2009).

<sup>154</sup> *Id.*

<sup>155</sup> *Id.* at 608-14.

because loss of sales and profits are generally calculable.<sup>156</sup> Moreover, the resulting loss of research opportunity and funding is also calculable.<sup>157</sup>

The court also found that Apotex's at-risk launch could cause irreparable harm through personnel layoffs.<sup>158</sup> The court agreed that layoffs, while commonplace in business, can cause a loss of morale and productivity that cannot be calculated.<sup>159</sup> Finally, the court concluded an at-risk launch can cause market confusion.<sup>160</sup> Moreover, AstraZeneca's reputation could suffer if customers, after lowering prices to compete with Apotex, feel that the drug was originally priced "at an unfairly high level."<sup>161</sup> Loss of goodwill as an irreparable harm is a concept originally from trademark law that has been incorporated into patent law.<sup>162</sup>

Despite a thorough analysis in *AstraZeneca*, there is little consistency within the District of New Jersey. In some instances, the court has held that a loss of goodwill is too speculative to be an irreparable harm.<sup>163</sup> In other instances, the court has held that

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<sup>156</sup> However, the court found that the loss of future sales could not be calculable due to a licensing agreement already in place between AstraZeneca and another generic maker who had promised not to release their generic until a later date. Thus, in this instance, lost future sales and licensing revenue constituted an irreparable harm. *Id.* at 608-11.

<sup>157</sup> *Id.* at 613.

<sup>158</sup> *Id.* at 612.

<sup>159</sup> *Id.*

<sup>160</sup> *Id.* at 613.

<sup>161</sup> *Id.*

<sup>162</sup> See Roy H. Wepner & Richard W. Ellis, *The Federal Circuit's Presumptively Erroneous Presumption of Irreparable Harm*, 6 TUL. J. TECH. & INTELL. PROP. 147, 163-65 (2004).

<sup>163</sup> *Sanofi-Aventis*, 2010 WL 2428561, at \*17; *Novartis I*, 2007 WL 2669338, at \*15.

a potential loss of jobs is too speculative for irreparable harm at large companies, such as many of the innovator companies.<sup>164</sup>

The varied case law on how courts have evaluated irreparable harm in Hatch-Waxman actions validates Professor Chisum's observations on irreparable harm determinations.<sup>165</sup> The following cases illustrate how the court usually finds irreparable harm where it also finds a likelihood success from the plaintiff.

In *Novartis v. Teva Pharmaceuticals (Novartis II)*, the court made a preliminary finding that Novartis was unlikely to establish that Teva's generic version of Lotrel infringed on Novartis' patents.<sup>166</sup> The court also found that Novartis failed to establish Teva's infringement under the doctrine of equivalents.<sup>167</sup>

Novartis further argued that Teva's at-risk launch of generic Lotrel would cause irreparable harm through "lost sales revenue, lost market share, irreversible price erosion, lost business and growth prospects, and lost research opportunities."<sup>168</sup> The court said that economic loss estimates set forth by Novartis seemed to go against their arguments for irreparable harm.<sup>169</sup> Further, the court posited that any potential economic damages are calculable and thus could "be reparable by money damages."<sup>170</sup> Thus, the irreparable harm determination in

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<sup>164</sup> See *Novartis II*, 2007 WL 1695689, at \*28.

<sup>165</sup> See *supra* notes 35-36, 152, 156 and accompanying text.

<sup>166</sup> See *Novartis II*, 2007 WL 1695689, at \*24.

<sup>167</sup> *Id.* at \*25.

<sup>168</sup> *Id.* at \*26 (internal quotations omitted).

<sup>169</sup> *Id.* at \*27.

<sup>170</sup> *Id.* (citing *Nutrition 21 v. United States*, 930 F.2d 867, 871 (Fed. Cir. 1991)).

*Novartis II* is consistent with the definition in Chisum's treatise.<sup>171</sup>

However, the District of New Jersey found in a subsequent case that an innovator company could suffer irreparable harm while given similar economic arguments. In *Albany Molecular Research v. Dr. Reddy's Laboratories*, a preliminary injunction was sought to enjoin the defendant from an at-risk launch<sup>172</sup> of generic fexofenadine.<sup>173</sup> Unlike the *Novartis* court, the court in *Albany Molecular* found that the plaintiff had demonstrated a likelihood of success on the merits.<sup>174</sup>

Like in *Novartis II*, the plaintiff argued that an at-risk launch would mean a loss of market share, permanent price erosion and loss of brand equity.<sup>175</sup> Although the court noted that most of the harm suffered by the plaintiff would be monetary in nature and calculable, it held that a "loss of goodwill associated with the brand" is considered an irreparable harm.<sup>176</sup> However, in a case decided just a few days before *Albany Molecular*, a different judge in District of New Jersey ruled that loss of goodwill was too speculative for irreparable harm in Hatch-Waxman litigation.<sup>177</sup> In that case, the court declined to issue

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<sup>171</sup> See *supra* text accompanying note 35.

<sup>172</sup> *Albany Molecular*, 2010 WL 2516465, at \*1.

<sup>173</sup> Fexofenadine is an allergy medication, notable brand names include Allegra. NAT'L INST. OF HEALTH, *Fexofenadine*, MEDLINEPLUS (last visited Feb. 19, 2014), <http://www.nlm.nih.gov/medlineplus/druginfo/meds/a697035.html>.

<sup>174</sup> *Albany Molecular*, 2010 WL 2516465, at \*9.

<sup>175</sup> *Id.* at \*11.

<sup>176</sup> *Id.*

<sup>177</sup> *Sanofi-Aventis Deutschland GmbH v. Glenmark Pharm. Inc., USA*, No. 07-CV-5855(DMC), 2010 WL 2428561, at \*17 (D.N.J. June 9, 2010).

a preliminary injunction.<sup>178</sup>

In all seven instances where a preliminary injunction was granted by the District of New Jersey, the court also found that the plaintiff had a likelihood of success on the merits.<sup>179</sup> Likewise, in those nine instances, the court also found that the plaintiff had also established irreparable harm.<sup>180</sup> Conversely, when the court declines to grant a preliminary injunction, it usually finds that the plaintiff failed to establish a likelihood of success on the merits.<sup>181</sup> Courts have refused to consider the remaining factors once the plaintiff fails to establish the first

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<sup>178</sup> *Id.*

<sup>179</sup> Hoffman-La Roche Inc. v. Cobalt Pharm. Inc., Nos. 07-4539(SRC)(MAS), 07-454(SRC)(MAS), 08-4054(SRC)(MAS), 2010 WL 4687839, at \*1 (D.N.J. Nov. 10, 2010); King Pharm., Inc. v. Corepharma, LLC., No. 10-1878(GEB-DEA), 2010 WL 1850200, at \*5 (D.N.J. May 7, 2010); AstraZeneca LP v. Apotex, Inc., 623 F. Supp.2d 579, 614 (D.N.J. 2009), *aff'd* 633 F.3d 1042 (Fed. Cir. 2010); Ortho McNeil Pharm., Inc. v. Barr Labs., Inc., No. 03-4678(SRC), 2009 WL 2182665, at \*11 (D.N.J. July 22, 2009); Everett Labs., Inc. v. Breckenridge Pharm., Inc., 573 F. Supp.2d 855, 871 (D.N.J. Aug. 28, 2008); Eisai Co., Ltd. v. Teva Pharm. USA, Inc., Nos. 05-5727(HAA)(ES), 07-5489(HAA)(ES), 2008 WL 1722098, at \*13 (D.N.J. Mar. 28, 2008); *see also* Warner Chilcott Labs. Ir. Ltd. v. Mylan Pharm. Inc., 451 Fed.App'x 935, 938 (Fed. Cir. 2011) (showing that although the Federal Circuit reversed and vacated the injunction, the District of New Jersey analyzed all four factors in favor of the plaintiff).

<sup>180</sup> *See id.*

<sup>181</sup> *Sanofi-Aventis*, 2010 WL 2428561, at \*17; *Altana Pharma AG v. Teva Pharm. USA, Inc.*, 532 F. Supp.2d 666, 684 (D.N.J. 2007); *Novartis II*, 2007 WL 1695689, at \*28; *Novartis I*, 2007 WL 2669338, at \*13; *see also* *Graceway Pharm., LLC v. Perrigo Co.*, 697 F.Supp.2d 600, 610 (D.N.J. 2010) (due to the innovator company's bad faith actions and the doctrine of laches the court would have granted the preliminary injunction, found a likelihood of success and irreparable harm).

factor in some instances.<sup>182</sup> When the courts consider all four factors, they have been consistent in determining a lack of irreparable harm when declining injunctive relief.

## CONCLUSIONS

The District of New Jersey has recognized that *eBay* had abrogated the presumption of irreparable harm in preliminary injunction determinations as early as 2008.<sup>183</sup> However, it seems that the presumption is alive and well in Hatch-Waxman actions, in practice if not in name.<sup>184</sup> It is clear that likelihood of success on the merits influences the irreparable harm determination.<sup>185</sup> It is hard to envision that the cases cited in Part IV would have been decided differently if *eBay* did not abrogate the presumption of irreparable harm in patent cases.

### ***A. The Irreparable Harm Presumption Is Not as Dead as the Bosch Court Would Lead You to Believe***

Ironically, the case that is considered the death knell of the presumption of irreparable harm also gives courts sufficient latitude to apply the presumption tacitly.<sup>186</sup> The patent at issue in *Robert*

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<sup>182</sup> *Apotex*, 2012 WL 869572, at \*9; *King Pharm., Inc. v. Sandoz, Inc.*, No. 08-5974(GEB-DEA), 2010 WL 1957640, at \*6 (D.N.J. May 17, 2010); *Tyco Healthcare Grp. LP v. Mut. Pharm. Co.*, No. 07-1299(SRC), 2009 WL 2422382, at \*7 (D.N.J. Aug. 4, 2009).

<sup>183</sup> *Everett Labs.*, 573 F.Supp.2d at 866.

<sup>184</sup> See *supra* Part IV.

<sup>185</sup> See *supra* text accompanying notes 166.

<sup>186</sup> Jason Rantanen, *Bosch v. Pylon: Jettisoning the Presumption of Irreparable Harm in Injunction Relief*, PATENTLY-O (Oct. 12, 2011), <http://www.patentlyo.com/patent/2011/10/bosch-v-pylon->

*Bosch LLC v. Pylon Manufacturing Corporation* was for windshield wiper blades.<sup>187</sup> Bosch is part of a multinational conglomerate that manufactures and sells a wide variety of goods including automotive parts, industrial machinery, and consumer products, such as power tools.<sup>188</sup> Pylon is company based in Florida that manufactures wiper blades under license from DuPont and Michelin.<sup>189</sup> After obtaining a favorable judgment at the district court, Bosch unsuccessfully sought a permanent injunction against Pylon.<sup>190</sup>

On appeal, the Federal Circuit examined the four injunction factors *de novo*.<sup>191</sup> Acknowledging that neither *eBay* nor its subsequent cases clearly addressed the presumption of irreparable harm, the Federal Circuit emphatically stated that “*eBay* jettisoned the presumption of irreparable harm as it applies to determining the appropriateness of injunc-

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jettisoning-the-presumption-of-irreparable-harm-in-injunction-relief.html.

<sup>187</sup> *Robert Bosch LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1145 (Fed. Cir. 2011).

<sup>188</sup> *Business Sectors and Divisions*, BOSCH GROUP, [http://www.bosch.com/en/com/bosch\\_group/business\\_sectors\\_divisions/business\\_sectors\\_divisions\\_2.php](http://www.bosch.com/en/com/bosch_group/business_sectors_divisions/business_sectors_divisions_2.php) (last visited Feb. 21, 2014).

<sup>189</sup> *About Us*, PYLON, <http://www.pylonhq.com/company.html> (last visited Feb. 21, 2014).

<sup>190</sup> *Bosch*, 659 F.3d at 1145.

<sup>191</sup> *Id.* at 1148 (The permanent injunction factors are: “(1) that it has suffered an *irreparable injury*; (2) that remedies available at law, such a *monetary damages are inadequate to compensate for that injury*; (3) that considering the balance of hardships between the plaintiff and the defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.”) (quoting *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006)) (emphasis added).



tive relief.”<sup>192</sup>

The court noted that plaintiffs “can no longer rely on presumptions or other short-cuts to support a request for [injunctive relief].”<sup>193</sup> However, the court also enunciated that “the fundamental nature of patents as property rights grant[ ] the owner the right to exclude.”<sup>194</sup> The court noted that in cases of traditional patent infringement, courts should not act from a “clean slate” and look to precedent in making an injunction determination.<sup>195</sup> Applying the four factor analysis, the court found that Bosch had made a showing of irreparable harm by, among other things, establishing that Pylon had taken market share through infringing product.<sup>196</sup> In reversing the trial court’s decision, at least one commentator has noted that the new standard may not be much different from the old.<sup>197</sup> The presumption of irreparable harm may be dead, but *Bosch* allows courts to apply the old presumption in traditional patent infringement cases without calling it by name.

### ***B. Non-Practicing Entities, Patent Trolls, and Non-Traditional Patent Infringement***

Given their context, both *eBay* and *Bosch* were decided correctly. MercExchange did not make commercial use of their patents; it sought to license their patents after unsuccessfully attempting to open

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<sup>192</sup> *Id.* at 1149.

<sup>193</sup> *Id.*

<sup>194</sup> *Id.*

<sup>195</sup> *Id.*

<sup>196</sup> *Id.* at 1155.

<sup>197</sup> Rantanen, *supra* note 186.

on online marketplace.<sup>198</sup> MercExchange is considered a non-practicing entity (NPE), which are sometimes pejoratively known as a patent troll.<sup>199</sup> Bosch, on the other hand, is a global manufacturer that spent approximately \$5 billion in 2011 for research and development.<sup>200</sup>

One of the more notable examples of a non-practicing entity is Soverain Software. Soverain is the holder of patents for online “shopping carts” used in e-commerce.<sup>201</sup> They do not manufacture products of any kind nor do they sell goods over the internet or otherwise.<sup>202</sup> Instead, Soverain is known for initiating patent infringement suits and obtaining generous settlements and licensing agreements.<sup>203</sup> Due to their litigious conduct, Soverain is widely known as a patent troll.<sup>204</sup> In 2004, Soverain filed a patent in-

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<sup>198</sup> Brief for Respondent at 4, *eBay Inc. v. MercExchange*, L.L.C., 547 U.S. 388 (2006) (No. 05-130), 2006 WL 622506, at \*4 (March 10, 2006).

<sup>199</sup> Jones, *supra* note 66, at 1040.

<sup>200</sup> *Bosch to Invest \$10 Million to Support Local Higher Education and Research Initiatives*, BOSCH PRESS (May 19, 2011), [http://www.bosch-press.com/tbwebdb/bosch-usa/modules/oragetblob.dll/BERN%20Investment%202011.pdf?db=TBWebDB\\_rbna&item=TBWebDB\\_texpdf&id=466,1&dispo=a](http://www.bosch-press.com/tbwebdb/bosch-usa/modules/oragetblob.dll/BERN%20Investment%202011.pdf?db=TBWebDB_rbna&item=TBWebDB_texpdf&id=466,1&dispo=a) (last visited Feb. 21, 2014).

<sup>201</sup> Joe Mullin, *How Newegg Crushed the “Shopping Cart” Patent and Saved Online Retail*, ARS TECHNICA (Jan. 27, 2013, 4:00 PM), <http://arstechnica.com/tech-policy/2013/01/how-newegg-crushed-the-shopping-cart-patent-and-saved-online-retail/>.

<sup>202</sup> *Id.*

<sup>203</sup> *Id.* Notably, the term “patent troll” was used a total of five times in Mullin’s article.

<sup>204</sup> See, e.g., Don Reisinger, *Newegg Wins Key ‘Shopping Cart’ Lawsuit Against Patent Troll*, CNET (Jan. 28, 2013, 9:52 AM), [http://news.cnet.com/8301-1023\\_3-57566195-93/newegg-wins-key-shopping-cart-lawsuit-against-patent-troll/](http://news.cnet.com/8301-1023_3-57566195-93/newegg-wins-key-shopping-cart-lawsuit-against-patent-troll/); Mike Masnick,

fringement action against Amazon.com and The Gap alleging infringements of patents for online payment processing and shopping carts.<sup>205</sup> Amazon.com later settled the case days within the start of trial for \$40 million.<sup>206</sup>

The Supreme Court was correct in *eBay* to abrogate the presumption of irreparable harm. By placing the burden of proof on the plaintiff to establish irreparable harm, litigation and the threat of a permanent injunction cannot be used to force a settlement or as leverage in licensing negotiations, especially in cases where the patent holder is an NPE.

***C. Differences Between NPEs and the Pharmaceutical Companies and Why Congress Should Amend the Hatch-Waxman Act to Allow for the Irreparable Harm Presumption***

Today, it is possible to be an NPE and own a significant amount of patents, especially those related to information technology and internet applications. Instagram is a free photo sharing app for Internet enabled smartphones.<sup>207</sup> By the time Instagram was acquired by Facebook in 2012, it held around eight hundred patents.<sup>208</sup> Industry experts

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Newegg's 'Screw Patent Trolls!' Strategy Leads to Victory, TECHDIRT (Jan. 28, 2013, 12:48 PM), .

<sup>205</sup> Dawn Kawamoto, *Amazon Pays \$40 Million to Settle Patent Dispute*, ZDNET (Aug. 11, 2005, 9:11 PM), <http://www.zdnet.com/news/amazon-pays-40-million-to-settle-patent-dispute/144171>.

<sup>206</sup> *Id.*

<sup>207</sup> *FAQ*, INSTAGRAM, <http://instagram.com/about/faq/> (last visited Mar. 2, 2013).

<sup>208</sup> Tyler Kingkade, *What Would \$1 Billion Buy You Besides Instagram & 800 Patents?*, HUFFINGTON POST (Apr. 11, 2012, 1:46 PM), [http://www.huffingtonpost.com/2012/04/11/1-billion-would-buy-you\\_n\\_1417712.html](http://www.huffingtonpost.com/2012/04/11/1-billion-would-buy-you_n_1417712.html).

have valued the labor costs of developing an app similar to Instagram at under \$200,000.<sup>209</sup> Even considering costs for filing patents, it does not take a significant investment to create an NPE, sit on a stable of patents, and make money purely through licensing. As mentioned before, developing a new drug can cost upwards of \$800 million.<sup>210</sup> Although pharmaceutical companies can negotiate licensing agreements, innovator companies will try to recoup their substantial investment by releasing product to the market themselves.

Moreover, “patent trolling” in the pharmaceutical industry is unlikely due to the nature of research. Unlike information technology patents, which may be vague, pharmaceutical patents are for a thoroughly researched chemical.<sup>211</sup> Further, the research behind pharmaceutical patents is also protected by the Hatch-Waxman Act’s data exclusivity period.<sup>212</sup> Thus, pharmaceutical patent infringement is almost always between two producing entities.

#### ***D. Moving Forward***

While the Federal Circuit has made clear in *Bosch* that the irreparable harm presumption is no more, courts have the latitude to conclude similarly

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<sup>209</sup> Andres Garzon, *The Correct Price for \$1-Billion-Instagram is \$175,500*, PRICETAG (Apr. 23, 2012), <http://pricetaghq.com/blog/correct-price-1-billion-instagram#sthash.KkIMBklN.dpuf>; see also Roy Chomko, *The Real Cost of Developing an App*, MANUFACTURING.NET (July 30, 2012, 11:50 AM), <http://www.manufacturing.net/articles/2012/07/the-real-cost-of-developing-an-app>.

<sup>210</sup> See *supra* text accompanying note 9.

<sup>211</sup> Stu Hutson, *Pharma “Patent Trolls” Remain Mostly the Stuff of Myth*, 15 NATURE MEDICINE 1240 (2009).

<sup>212</sup> *Id.*; see also *supra* text accompanying note 119.

as if the presumption still applies.<sup>213</sup> Latitude is not a certainty and different jurisdictions or even judges may conclude differently for the irreparable harm factor while adhering to the holding in *Bosch*. As discussed earlier in this Article, the rulings of Federal courts in New Jersey in Hatch-Waxman actions are consistent with the irreparable harm presumption, even if they decline to apply it.<sup>214</sup> However, the same cannot be said of other jurisdictions.

A lack of certainty can lead to forum shopping.<sup>215</sup> Knowing that a patent infringement suit may take much longer than a 30 month stay, innovator companies will try to file suit in a jurisdiction where the first two preliminary injunction factors have not been decoupled.<sup>216</sup> This problem can be solved by amending the Hatch-Waxman Act to give courts the power to apply the irreparable harm presumption. Firstly, courts can apply tests or presumptions outside of the four factors with legislative authorization.<sup>217</sup> Secondly, applying the irreparable harm presumption is consistent with the legislative aims of the Act by strengthening pharmaceutical pa-

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<sup>213</sup> See *supra* Conclusion, Section A.

<sup>214</sup> See *supra* Part IV.

<sup>215</sup> See Ronald T. Coleman, Jr. et al., *Applicability of the Presumption of Irreparable Harm After eBay*, 32 FRANCHISE L.J. 3, 10 (2012) (“Perhaps most important, know your jurisdiction. If a plaintiff has a choice as to where to bring a lawsuit, look for a jurisdiction that continues to apply (or at least has not foreclosed) the presumption of irreparable harm in that kind of case. A potential defendant sometimes can exercise forum selection as well by initiating a declaratory judgment action in a forum that has applied *eBay* and demands proof of irreparable harm.”).

<sup>216</sup> See *id.*

<sup>217</sup> See *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391-92 (2006).

tent protections.

In conclusion, the presumption of irreparable harm is still alive in Hatch-Waxman actions despite reports to the contrary in *eBay* and *Bosch*. The tacit application of the presumption is compatible with current law because most instances of pharmaceutical patent infringement are considered to be “traditional.” Due to the immense costs of research and clinical trials, pharmaceutical patents have enjoyed heightened protection. Amending the Hatch-Waxman Act to allow for the presumption would be consistent with its original intent. However, even without legislative action, *eBay* and *Bosch* do not fundamentally change the outcomes of preliminary injunction motions in Hatch-Waxman cases.



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*Article*

**I'm the One Making the Money,  
Now Where's My Cut?  
Revisiting the Student-Athlete as  
an "Employee" Under the National  
Labor Relations Act**

*John J. Leppler\**

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\* J.D. Candidate 2014, University of Baltimore School of Law



### ***Abstract***

This Article argues why the National Collegiate Athletic Association's (NCAA) Big-Time Division I College Football and Men's Basketball student-athletes are legally "employees" and why these student-athletes are inadequately compensated for their revenue-producing skills.

Part II of this Article sets forth the common law "right of control" test and the National Labor Relation Act's (NLRA) special statutory test for students in a university setting, and shows how the National Labor Relations Board (NLRB) and the judiciary determine whether a particular person, specifically a university student, meets these standards and is legally an "employee". Moreover, the NCAA asserts it does not have to compensate these student-athletes above their grant-in-aid because their relationship with their universities is an educational one. Part II also discusses the right of publicity tort to show that the relationship between these particular student-athletes and the NCAA is predominantly an economic one and not an educational one.

Part III of this Article applies two tests, the common law "right of control" test and the NLRB's special statutory test it developed and applied to university students in *Brown* to show that these particular "student-athletes" are legally "employees." As such, they should be compensated more than the grant-in-aid they already receive from the NCAA for their revenue-producing skills. This section also discusses Texas A&M Quarterback Johnny Manziel, and why Texas A&M University is reaping major financial benefit for the misappropriation of Manziel's "likeness." Part III also discusses NCAA Proposal 26 and how the NCAA and its member schools are continuing to invent innovative ways to misappropriate

student-athletes' "likenesses" for financial gain without compensating them. Additionally, this section illustrates that former student-athletes in addition to current athletes recognize that the NCAA is exploiting them for commercial gain without compensation. This section concludes with three potential solutions to how the NCAA could pay the student-athletes and at the same time advances the NCAA's amateurism dogma in college athletics. The NCAA can no longer use its affirmative defense of "amateurism," and should develop a payment method to compensate the services rendered by student-athletes who are the true moneymakers for its lucrative commercial enterprise.

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## INTRODUCTION

Every year student-athletes who compete in revenue generating sports, such as Big-Time College Football and Division I Men's Basketball, produce billions of dollars which are funneled directly to the

National Collegiate Athletic Association (NCAA).<sup>1</sup> The idea of paying these particular student-athletes is an ongoing debate. The large revenue generated from the BCS Championship football series and “March Madness” created a clamoring for compensating Big-Time College Football and Division I Men’s Basketball players beyond that of an athletic scholarship, or what the NCAA calls a grant-in-aid.<sup>2</sup> While operating in a purely capitalistic and professional atmosphere, the NCAA continues to endorse its amateurism concept in college athletics. These particular student-athletes realize that the NCAA commercialized the industry and generates billions of dollars in revenue from doing so. Even though the NCAA asserts the value of amateurism in college athletics, the student-athletes are now attempting to get a bigger piece of the pie.<sup>3</sup>

The NCAA initially created the term “student-athlete” to stop workers’ compensation lawsuits against it in the 1950s and 1960s,<sup>4</sup> and to obscure the

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<sup>1</sup> Nicholas Fram & Thomas Frampton, *College Athletes Deserve Employee Status*, SF GATE, (March 25, 2012, 4:00 AM), <http://www.sfgate.com/opinion/article/College-athletes-deserve-employee-status-3430855.php>.

<sup>2</sup> *Athletic Financial Aid Rules Mandated by the National Collegiate Athletic Association (NCAA)*, WASH. STATE UNIV., <http://finaid.wsu.edu/media/675179/Athletic-Financial-Aid-Rules-finaid-website.pdf> (explaining athletic grant-in-aid “consists of tuition, books, fees and room & board,” however, “note that transportation and miscellaneous are not included”).

<sup>3</sup> Dennis A. Johnson & John Acquaviva, *Point/Counterpoint: Paying College Athletes*, SPORT J. (June 15, 2012, 9:48 AM), <http://thesportjournal.org/article/pointcounterpoint-paying-college-athletes>.

<sup>4</sup> Jared Wade, *How the NCAA Has Used the Term “Student-Athlete” to Avoid Paying Workers Comp Liabilities*, NAT’L L. REV. (Sept. 14, 2011), <http://www.natlawreview.com/article/how->

reality of the university-student-athlete employment-relationship.<sup>5</sup> Part I of this Article sets forth the common law “right of control” test<sup>6</sup> and the National Labor Relation Act’s (NLRA) special statutory test for students in a university setting,<sup>7</sup> and shows how the National Labor Relations Board (NLRB) and the judiciary determine whether a particular person, specifically a university student, meets these standards and is legally an “employee.” Moreover, the NCAA asserts it does not have to compensate these student-athletes above their grant-in-aid because their relationship with their universities is an educational one. This part also discusses the right of pub-

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ncaa-has-used-term-student-athlete-to-avoid-paying-workers-comp-liabilities.

<sup>5</sup> Robert A. McCormick & Amy Christian McCormick, *The Myth of the Student-Athlete: The College Athlete As Employee*, 81 WASH. L. REV. 71, 86 (2006).

<sup>6</sup> St. Joseph News-Press, 345 N.L.R.B. 474, 478 (2005) (“[w]hile we recognize that the common-law agency test described by the Restatement ultimately assesses the amount or degree of control exercised by an employing entity over an individual, we find insufficient basis for the proposition that those factors which do not include the concept of ‘control’ are insignificant when compared to those that do. Section 220(2) of the Restatement refers to 10 pertinent factors as ‘among others,’ thereby specifically permitting the consideration of other relevant factors as well, depending on the factual circumstances presented . . . . Thus, the common-law agency test encompasses a careful examination of all factors and not just those that involve a right of control . . . . To summarize, in determining the distinction between an employee and an independent contractor under Section 2(3) of the Act, we shall apply the common-law agency test and consider all the incidents of the individual’s relationship to the employing entity.” (quoting *Roadway Package System*, 326 N.L.R.B. 842, 850 (1998))).

<sup>7</sup> *Brown Univ.*, 342 N.L.R.B. 483, 489 (2004).

licity tort<sup>8</sup> to show that the relationship between these particular student-athletes and the NCAA is predominantly an economic one and not an educational one.

Part II of this Article applies the common “right of control” test and the NLRB’s special statutory test, developed in *Brown*,<sup>9</sup> to student-athletes. Both tests show that these particular student-athletes are legally employees and should be compensated by more than the grant-in-aid they already receive from the NCAA for their revenue producing skills. Also, this part will discuss Texas A&M Quarterback Johnny Manziel, and why Texas A&M University is reaping major financial benefit through the misappropriation of Manziel’s likeness.

Part II will also discuss NCAA Proposal 26 and how the NCAA and its member schools are continuing to invent innovative ways to misappropriate their student-athletes for financial gain, without compensation. Part II further shows that former student-athletes, in addition to current athletes recognize the NCAA is exploiting them for commercial

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<sup>8</sup> RESTATEMENT (SECOND) OF TORTS § 652C cmt. b (1977) (“The common form of invasion of privacy under the rule here stated is the appropriation and use of the plaintiff’s name or likeness to advertise the defendant’s business or product, or for some similar commercial purpose. Apart from statute, however, the rule stated is not limited to commercial appropriation. It applies also when the defendant makes use of the plaintiff’s name or likeness for his own purposes and benefit, even though the use is not a commercial one, and even though the benefit sought to be obtained is not a pecuniary one. Statutes in some states have, however, limited the liability to commercial uses of the name or likeness.”).

<sup>9</sup> *Brown Univ.*, 342 N.L.R.B. at 487.

gain without compensation.<sup>10</sup> Finally, this part offers three solutions as to how the NCAA could compensate student-athletes, while simultaneously advancing the NCAA's "amateurism" dogma in college athletics.

This Article concludes that the NCAA can no longer use its affirmative defense of "amateurism." Instead, the NCAA should develop a payment method to compensate the services rendered by student-athletes, who are the true moneymakers for its lucrative commercial enterprise.

## I. BACKGROUND

The NCAA is a voluntary association of approximately 1,200 colleges and universities. The NCAA's philosophy as it relates to the student-athlete is to promote amateurism.<sup>11</sup> In the NCAA Division I Manual, the first stated purpose is "[t]o initiate . . . and improve intercollegiate athletics programs for student-athletes and to promote . . . athletics participation as a recreational pursuit."<sup>12</sup> Despite the prominence of this assertion, the NCAA has failed to further this purpose for athletes in the most commercially lucrative sports, Big-Time College Football (i.e., Division I Football) and Division I Men's Basketball.<sup>13</sup>

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<sup>10</sup> O'Bannon v. Nat'l Collegiate Athletic Ass'n, Nos. C 09-1967 CW, C 09-3329 CW, C 09-4882 CW, 2010 WL 445190 (N.D. Cal. Feb. 8, 2010).

<sup>11</sup> Matthew Stross, *The NCAA's "No-Agent" Rule: Blurring Amateurism*, 2 MISS. SPORTS L. REV. 167 (2012); see also NCAA DIV. I MANUAL Bylaw art. 12.01.3 (2013), available at <http://www.ncaapublications.com/productdownloads/D114.pdf>.

<sup>12</sup> See NCAA DIV. I MANUAL Const. art. 1.2(a) (2013).

<sup>13</sup> Daniel E. Lazaroff, *The NCAA in Its Second Century: Defender of Amateurism or Antitrust Recidivist?* 86 OR. L. REV. 329 (2007).

The NCAA Division I football season culminates with the Bowl Championship Series (BCS) National Championship game. The NCAA Division I Men's basketball season culminates with "March Madness" and the Final Four, with the national champion being crowned.<sup>14</sup> Both events are big business.

The University of Alabama played in the BCS National Championship Game in 2012, resulting in a total payout of \$18.3 million dollars.<sup>15</sup> Alabama received \$2 million from the NCAA for directly participating.<sup>16</sup> The remaining \$16.3 million was divided into 13 shares equally distributed into shares of approximately \$1.26 million among the 12 member Southeastern Conference ("SEC") schools and the SEC office.<sup>17</sup> In addition to compensation for simply participating, Alabama received a hefty payout for winning the BCS National Championship in 2013.<sup>18</sup>

Similarly, the University of Kentucky received a large payout for winning the NCAA Men's Basketball Championship in 2012. In its most recent contract agreement with the television network CBS, the NCAA \$10.8 billion for the March Madness broadcasting rights for the next fourteen years.<sup>19</sup> The direct value of the NCAA Division I Men's Bas-

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<sup>14</sup> Fram & Frampton, *supra* note 1.

<sup>15</sup> Jon Solomon, *Profit from BCS National Championship Game Won't Be a Big Windfall*, BIRMINGHAM NEWS (Jan. 5, 2010, 9:01 PM), [http://blog.al.com/birmingham-news-stories/2010/01/profit\\_from\\_bcs\\_national\\_champ.html](http://blog.al.com/birmingham-news-stories/2010/01/profit_from_bcs_national_champ.html).

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Chris Smith, *The Money Behind The BCS National Championship*, SPORTSMONEY (Jan. 7, 2013, 4:09 PM), <http://www.forbes.com/sites/chris-smith/2013/01/07/the-money-behind-the-bcs-national-championship/>.

<sup>19</sup> Fram & Frampton, *supra* note 1.



ketball Tournament comes from the NCAA's Revenue Distribution plan, which explains that payouts are "to be distributed to the Division I Men's Basketball Championship over a six-year rolling period."<sup>20</sup> "That six-year payment period means that games played in the 2012 March Madness tournament will not count towards annual conference payouts until 2017."<sup>21</sup>

To better understand the NCAA's revenue distribution model for March Madness, consider the revenue generated by the Kentucky Wildcats in 2012. Kentucky played in six tournament games in 2012, five of which are included in the NCAA's count of games played, as championship games are not included.<sup>22</sup> The NCAA revenue distribution model calculates each game as a "game unit," and each "game unit" for the 2012 tournament was \$278,820.<sup>23</sup> Kentucky generated approximately \$1.4 million for the South Eastern Conference as a whole due to their tournament success in 2012.<sup>24</sup>

### ***A. The Common Law Test and a Statutory Test to Establish the "Employee" Status of College Students***

"Division I athletic grant-in-aid students in college football and men's basketball can be considered 'employees' under both the National Labor Rela-

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<sup>20</sup> Chris Smith, *March Madness: A Trip to The Final Four is Worth \$9.5 Million*, FORBES (Mar. 14, 2012, 9:45AM), <http://www.forbes.com/sites/chris-smith/2012/03/14/march-madness-a-trip-to-the-final-four-is-worth-9-5-million/>.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

tions Act and under most applicable state laws.”<sup>25</sup> If a person is deemed an employee under the NLRA, those employees are granted the rights to gather amongst themselves and discuss their wages and working conditions even if they are not part of a union.<sup>26</sup> However, the NLRA only applies to employees who work in most private sectors and specifically excludes protection to persons employed by Federal, state, or local government.<sup>27</sup> The question of whether a particular person is an employee has been essential in the development of American labor law.<sup>28</sup> The National Labor Relations Board (NLRB) and the judiciary have developed different legal standards in determining a person's employee status. Thus, there are several approaches the NLRB or the judiciary can take in determining whether these particular student-athletes in Division I college football and basketball are legally employees.<sup>29</sup>

### **1. The “Employee” Under the National Labor Relations Act**

The federal rights granted to employees, and only to employees, under the NLRA are “the rights to self-organization; to form, join, or assist labor organizations; to bargain collectively through representatives of their own choosing; and to engage in other

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<sup>25</sup> McCormick & McCormick, *supra* note 5, at 86.

<sup>26</sup> *Employee Rights*, NAT'L LABOR RELATIONS BOARD, <http://www.nlr.gov/rights-we-protect/employee-rights> (last visited Jan. 17, 2014).

<sup>27</sup> *See id.*

<sup>28</sup> McCormick & McCormick, *supra* note 5, at 87; *see also* ROBERT A. GORMAN & MATTHEW W. FINKIN, BASIC TEXT ON LABOR LAW: UNIONIZATION AND COLLECTIVE BARGAINING 37-38 (2d ed. 2004) (describing courts' early efforts to distinguish between employees under the Act and other persons).

<sup>29</sup> McCormick & McCormick, *supra* note 5, at 88.

concerted activities for the purpose of collective bargaining or other mutual aid or protection.”<sup>30</sup> Since these collective bargaining rights are granted exclusively to employees under the statute, determining whether a particular person is or is not an employee is of paramount importance.<sup>31</sup>

The central issue with the NLRA when first administered was that it defined both “employer”<sup>32</sup> and “employee”<sup>33</sup> by reference only to each other, and it used those definitions to distinguish the status of a particular person in the same way. Because the statutory language by itself fails to demarcate the pronounced characteristics of either “employer” or “employee” from other classes of entities or persons, the judiciary and the NLRB have been guided mainly by common law doctrines when determining the meaning of the term “employee.”<sup>34</sup> Relying solely on common law principles, the NLRB interpreted the NLRA’s definition of “employee” and developed the “right of control” test.<sup>35</sup> Under this legal standard, the important factor in distinguishing an employee

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<sup>30</sup> 29 U.S.C. § 157 (2012).

<sup>31</sup> McCormick & McCormick, *supra* note 5, at 89.

<sup>32</sup> 29 U.S.C. § 152(2) (2012) (“The term ‘employer’ includes any person acting as an agent of an employer, directly or indirectly. . .”).

<sup>33</sup> 29 U.S.C. § 152(3) (2012) (“The term ‘employee’ shall include any employee, and shall not be limited to the employees of a particular employer, . . . but shall not include any individual . . . having the status of an independent contractor, or any individual employed as a supervisor . . .”).

<sup>34</sup> *E.g.*, McCormick & McCormick, *supra* note 5, at 89; Klement Timber Co., 59 N.L.R.B. 681, 683 (1944).

<sup>35</sup> Field Packing Co., 48 N.L.R.B. 850, 852-53 (1943) (holding that truck drivers were employees and, therefore, not independent contractors because the employer had not fully divested itself of the right to control drivers’ work); GORMAN & FINKIN, *supra* note 28, at 38.

from an independent contractor was the level of control the alleged employer maintained over the working life of the employee.<sup>36</sup> The Court first applied the ‘right of control test’ in *NLRB v. United States Insurance Co. of America*.<sup>37</sup> The Court in its decision noted that the term “employee” excludes “any individual having the status of an independent contractor.”<sup>38</sup> The Court went on and held general agency principles will be applied in a case-by-case basis in distinguishing an employee from an independent contractor.”<sup>39</sup>

Congress further endorsed the common law “right of control” test as the proper interpretation of the statute through the addition of the 1947 Taft-Hartley Amendments to the NLRA.<sup>40</sup> The Amendments expressly excluded independent contractors from the definition of employee. The common law, as well as the NLRB and the judiciary, have long used the term “independent contractor” to distinguish cer-

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<sup>36</sup>See *Nat'l Freight, Inc.*, 146 N.L.R.B. 144, 145-46 (1964). The right of control test was derived from the common law doctrine of *respondere superior*, which determines whether a master might be liable for the torts of his servant. Under this measure, a person who performs a particular task by his own methods, not subject to the control of the alleged employer, is an independent contractor, while a person who is subject to the control of the employer, not only as to the ends to be accomplished, but also as to the methods and means of performing the work, is an employee. See *Carnation Co.*, 172 N.L.R.B. 1882, 1888 (1968); GORMAN & FINKIN, *supra* note 28, at 38.

<sup>37</sup> *NLRB v. United Insurance Co. of America*, 390 U.S. 254 (1968).

<sup>38</sup> *Id.* at 256.

<sup>39</sup> See *id.*

<sup>40</sup> 29 U.S.C. §152(3) (2012) (“The term ‘employee’ . . . shall not include any individual . . . having the status of an independent contractor.”).

tain workers from employees, applying the right of control standard to draw that distinction, referring to the right of control standard as the basic measure for determining whether individuals are employees under the NLRA.”<sup>41</sup>

The U.S. Supreme Court has expressly upheld the NLRB’s interpretation of employee and its reliance on the “right of control” standard. The Court most recently upheld the NLRB’s interpretation of an employee in *National Labor Relations Board v. Town & Country Electric, Inc.*<sup>42</sup> In this case Town & Country Electric, Inc., a non-union company, sought to fill several positions for a construction job in Minnesota.<sup>43</sup> Town & Country received applications from union staff, but refused to interview any of the applicants except one, who was eventually hired and fired soon thereafter.<sup>44</sup> These individuals applied with the intention to organize Town & Country and were to remain on union payroll during their time of employment.<sup>45</sup> The union, the International Brotherhood of Electrical Workers, filed a complaint with the National Labor Relations Board claiming that Town

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<sup>41</sup> McCormick & McCormick, *supra* note 5, at 157; *see, e.g.*, NLRB v. Phoenix Mut. Life Ins. Co., 167 F.2d 983, 986 (7th Cir. 1948) (stating that “the employer-employee relationship exists when the person for whom the work is done has the right to control and direct the work, not only as to the result accomplished by the work, but also as to the details and means by which that result is accomplished”); Teamsters Nat’l Auto. Transp. Indus. Negotiating Comm., 335 N.L.R.B. 830, 832 (2001) (“[T]he contracting employer must have the power to give the employees the work in question--the so-called ‘right of control’ test.”) (footnote omitted).

<sup>42</sup> NLRB v. Town & Country Elec., Inc., 516 U.S. 85 (1995).

<sup>43</sup> *Id.* at 87.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.* at 88.

& Country had refused to interview or retain the workers because of their union affiliation, a violation of the National Labor Relations Act.<sup>46</sup> The Board held that the 11 individuals met the definition of employees under the Act and rejected Town & Country's claims that the individuals had been refused for other reasons.<sup>47</sup>

The U.S. Court of Appeals for the Eighth Circuit reversed on the ground that the term "employee" does not include those individuals who remain on union payroll during their time of employment with another company.<sup>48</sup> The central question that the U.S. Supreme Court dealt with on certiorari was: Does a worker qualify as an "employee" under the NLRA if, while working, he is simultaneously paid by a union to help the union organize a company?<sup>49</sup>

In a unanimous decision, the U.S. Supreme Court ruled for the Board and held that individuals can meet the definition of employee even if they are paid by a union to organize a non-union company while on company payroll.<sup>50</sup> The Court found this result consistent with the language and purpose of the Act as well as the dictionary definition of employee.<sup>51</sup> The Court also reasoned that the language of the Act seemed to specifically take into account the possibility of workers who are paid by union organiz-

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<sup>46</sup> *Id.* at 87.

<sup>47</sup> *Id.* at 87-88; *see also* Town & Country Elec., Inc. v. N.L.R.B., 106 F.3d 816, 819 (8th Cir. 1997).

<sup>48</sup> Town & Country Elec., Inc. v. NLRB, 34 F.3d 625, 629 (8th Cir. 1994).

<sup>49</sup> NLRB v. Town & Country Elec., Inc., 516 U.S. 85, 87 (1995).

<sup>50</sup> *Id.*

<sup>51</sup> *Id.* at 90.

ers.<sup>52</sup>

Since the Supreme Court decision in *NLRB v. Town & Country*, the NLRB has further relied on that decision in defining employee, as “[u]nder the common law . . . a person who performs services *for another* under a contract of *hire*, subject to the other’s control or right of control, and *in return for payment*.”<sup>53</sup>

## **2. The NLRB’s Statutory Test from *Brown* for Students Seeking Status as Employees**

University students who receive academic scholarships and perform services as teaching or research assistants appear to satisfy the common law test for “employee.” The NLRB recognized the low threshold the common law test presents to distinct classes of persons attempting to be regarded as “employees” under the NLRA.<sup>54</sup>

The NLRB in *Brown* developed a new requirement. In order for university students to be treated as employees and granted collective bargaining rights under the NLRA, they must satisfy both the common law “right of control” test and the NLRB’s additional special statutory test developed in *Brown*.<sup>55</sup> In that case, Brown University filed a peti-

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<sup>52</sup> *Id.* at 93.

<sup>53</sup> *Brown Univ.*, 342 N.L.R.B. 483, 490 n.27 (2004) (citing *Town & Country Elec., Inc.*, 516 U.S. at 94); *see also* *Boston Med. Ctr. Corp.*, 330 N.L.R.B. 152, 160 (1999) (quoting *Town & Country Elec., Inc.*, 516 U.S. at 91-93).

<sup>54</sup> *See Brown Univ.*, 342 N.L.R.B. at 491.

<sup>55</sup> *See id.* at 487 (stating that “attempting to force the student-university relationship into the traditional employer-employee framework” is problematic and that “principles developed for use in the industrial setting cannot be ‘imposed blindly on the academic world’”) (quoting *NLRB v. Yeshiva Univ.*, 444 U.S. 672, 680-81 (1980)).

tion with the NLRB, asking the Board to reconsider and overturn the Board's decision in *NLRB v. New York University*.<sup>56</sup> New York University dealt with graduate student assistants who were admitted into but not hired by the university. The central question was whether the graduate student assistants' supervision of teaching and research was an integral component of their academic development. The NLRB in *Brown* held that the "financial support" the graduate student assistants received in order to attend Brown University made the relationship between the graduate student assistants and the university primarily an educational one rather than an economic one.<sup>57</sup>

The NLRB's decision in *Brown* is currently the legal standard for determining whether a university student is a statutory employee. In that decision the NLRB majority acknowledged that the right to control standard must be satisfied as a general requirement.<sup>58</sup> The NLRB further held that another specific requirement for students was that unless the relationship between the school and the student was "primarily economic," rather than "primarily educational," then the students were not employees.<sup>59</sup> Therefore, when students' efforts are predominantly

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<sup>56</sup> See *Brown Univ.*, 342 N.L.R.B. at 483.

<sup>57</sup> See *id.* at 486.

<sup>58</sup> See *id.* at 490 ("Even assuming arguendo that this is so [i.e., that graduate student employees are employees at the common law], it does not follow that they are employees within the meaning of the Act. The issue of employee status under the Act turns on whether Congress intended to cover the individual in question. The issue is not to be decided *purely* on the basis of older common-law concepts.") (emphasis added). Moreover, the Board has certainly applied the common law "right of control" test since its 2004 *Brown* decision in determining whether workers were employees under the NLRA.

<sup>59</sup> *Brown Univ.*, 342 N.L.R.B. at 487-89.



educational and not economic, then those individuals are not employees within the meaning of the NLRA.<sup>60</sup> From that test it logically follows that when a student who works for a university performs services that are not primarily educational or academic and the relationship to the university with respect to those services is an economic one, the student may be an employee under the NLRA, provided that he also meets the common law test for that term.

### ***B. Tort: Right of Publicity***

To assert a claim for the tort of right of publicity, a person must demonstrate that one or more of his or her protected attributes that are reasonably deemed private were appropriated by another party for that party's own use or benefit without his or her consent.<sup>61</sup> The Restatement (Second) of Torts specifically notes that a person who appropriates the name or likeness of another for his or her own use or benefit is subject to liability to the other for invasion of privacy.<sup>62</sup> The "own use" or "benefit" of another person's protected attributes has been interpreted in some states to mean a commercial benefit.<sup>63</sup> Other states however, have applied it to instances where a person uses another's name or likeness for his or her own purposes and benefit even though the use is not a commercial or pecuniary benefit.<sup>64</sup>

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<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> RESTATEMENT (SECOND) OF TORTS § 652C (1977) ("Appropriation of Name or Likeness: One who appropriates to his own use or benefit the name or likeness of another is subject to liability to the other for invasion of his privacy.").

<sup>63</sup> *Hart v. Elec. Arts, Inc.*, 717 F.3d 141 (3d Cir. 2013).

<sup>64</sup> RESTATEMENT (SECOND) OF TORTS § 652C cmt. b (1977).

### ***C. The NCAA National Letter of Intent***

The National Letter of Intent, signed by the potential student-athlete, is a binding contract between the individual and the university that the student-athlete attends.<sup>65</sup> If the individual is under the age of 21, a parent or registered guardian must co-sign the agreement.<sup>66</sup> A coach or representative of the coaching staff cannot be present when the individual is signing.<sup>67</sup> Once the Letter of Intent is signed no other school can recruit that person. The agreement is for a period of one year.<sup>68</sup> Usually the individual receives a scholarship towards tuition and a stipend for room and board.<sup>69</sup> If for any reason the student does not meet the academic or chosen sport performance expectations the school has the right to terminate the agreement.<sup>70</sup> After one year the student-athlete's scholarship or stipend is continued if he or she has met academic and sport performance expectations.<sup>71</sup> The sequence carries forward for a four-year matriculation at the chosen school.<sup>72</sup>

#### **1. Student-Athlete Statement – Division I Form 08-3a Section IV**

Before the student-athlete is allowed to participate in practice, he or she must sign various sections of Form 08-3a, the Student-Athlete Statement. Sec-

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<sup>65</sup> Barile v. Univ. of Virginia, 441 N.E.2d 608, 615 (Ohio 1981).

<sup>66</sup> *Signing a Letter of Intent*, VARSITYEDGE.COM, <http://www.varsityedge.com/nei/varsity.nsf/main/national+letter+of+intent>.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> *Id.*

<sup>71</sup> *Id.*

<sup>72</sup> *Id.*

tion IV of the statement contains wording which allows a student-athlete's name or picture to promote the NCAA and the school he or she is attending. The exact wording is as follows:

You authorize the NCAA (or third party acting on behalf of the NCAA, e.g., host institution, conference, local organizing committee) to use your name or picture to generally promote NCAA championships or other NCAA events, activities or programs.<sup>73</sup>

If student-athletes do not sign the Student-Athlete Form, they are deemed ineligible for practice and competition until the form is signed and completed. This is the same form that the NCAA references in their claim that they have the right to license the likeness and image of former student-athletes.<sup>74</sup> The legal question then becomes: does the form govern former student-athletes, enabling the NCAA and its member schools to use former student-athletes' likeness for its own commercial and promotional purposes?<sup>75</sup>

#### ***D. NCAA Proposal 26-2010***

A controversial proposal by the NCAA would broaden the way companies are allowed to use college athletes in advertising campaigns, giving athletic departments more opportunities to trade on play-

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<sup>73</sup> In re NCAA Student-Athlete Name & Likeness Litig., No. C 09-1967 CW, 2011 WL 1642256, at \*2 (N.D. Cal. May 2, 2011).

<sup>74</sup> *Id.* at \*4.

<sup>75</sup> *Id.* at \*5.

ers' popularity.<sup>76</sup>

Athletics officials who support the proposal say that they are not seeking to exploit athletes, and that the changes would align outdated NCAA rules with today's technologies.<sup>77</sup> Some players also supported the amendment.<sup>78</sup>

Contrarily, opponents of the proposal say that the changes are overreaching. It allows sponsors to expand their reach without compensating players for the use of their likeness in commercial promotions.<sup>79</sup> While players would continue to earn nothing for the use of their likenesses, their colleges, conferences, or the NCAA would reap profits from the advertisers.<sup>80</sup>

Up until the time of the proposal, corporate sponsorship companies were allowed to include pictures or images of college athletes in their advertisements as long as the athletes did not promote commercial ventures. In addition, companies were permitted to show only their corporate logos and names, not their products.<sup>81</sup>

Under the proposal, corporate sponsorship companies would now be allowed to advertise their products and services in association with pictures or images of college athletes, as long as the players did not specifically endorse the products.<sup>82</sup> The person-

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<sup>76</sup> Lauren Smith, *Controversial NCAA Proposal Would Allow Colleges to Cash In on Players' Images*, CHRON. HIGHER EDUC. (Oct. 5, 2007), <http://chronicle.com/article/NCAA-Proposal-Would-Let/2881>.

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Cabinet Sponsors Possible Amendments to Likeness Proposal*, NCAA (Mar. 9, 2011), <http://fs.ncaa.org/Docs/NCAANewsArchive/2011/march/cabinet>

nel who have the authority to make the proposal, a powerful NCAA committee made up of athletics officials and faculty members, said that it provides colleges, conferences, and the NCAA greater flexibility in developing relationships with commercial entities that benefit the athletics program.”<sup>83</sup> Ellen J. Staurowsky, a professor and chair of the graduate program in the Department of Sport Management and Media at Ithaca College said, “There is a little bit of disingenuousness in this. Until the players are compensated, these kinds of things are problematic.”<sup>84</sup>

## II. DISCUSSION

### ***A. Applying the NLRA Common Law Test and the Federal Labor Standards Act***

#### **1. The Right of Control Test**

Under the common law tests in determining if a particular person is an employee, the case for college student-athletes employee status is strong. “Their labor and talent generate huge revenues for universities, just like the services rendered by professional athletes for their leagues.”<sup>85</sup> These particular student-athletes are employees from the standpoint of the common law “right of control” test: school officials directly control their labor and exercise a level of oversight over players’ lives far greater than that of most employees in the United States.<sup>86</sup>

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%2B%2Bpossible%2Bamendments%2Bto%2Blikeness  
%2Bproposaldf30.html; Smith, *supra* note 76.

<sup>82</sup> *Id.*

<sup>83</sup> Smith, *supra* note 76.

<sup>84</sup> *Id.*

<sup>85</sup> Fram & Frampton, *supra* note 1.

<sup>86</sup> *Id.*

Critics argue that paying college athletes is only providing them with additional compensation on top of the already valuable compensation they get from universities in the form of scholarships.<sup>87</sup> One key principle from *Brown* was that the NRLB asserted that graduate student assistants, whether in an instruction or research role, were primarily there for educational purposes and the scholarships they received to perform their duties were requisite to obtaining their higher education degrees.<sup>88</sup> No one would argue that playing college football or men's basketball is a prerequisite to obtaining an undergraduate or graduate degree.<sup>89</sup>

Federal law, which dictates the requirement of a university student to meet the standard "right of control" test and the *Brown* statutory test to be considered an employee, only applies to students in private institutions.<sup>90</sup> University student-athletes competing at private institutions will probably be able to satisfy both tests, but college athletes playing for public institutions will be subject to state labor law, which has generally been more favorable to student-employees.<sup>91</sup> Over the last ten years, undergraduate student-employees have successfully formed unions consisting of dining hall workers, clerical assistants, and dormitory advisors.<sup>92</sup> Like such student-employees, student-athletes also render services to their universities by filling stadiums and arenas and

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<sup>87</sup> McCormick & McCormick, *supra* note 5, at 157; *see, e.g.*, *NLRB v. Phoenix Mut. Life Ins. Co.*, 167 F.2d 983, 986 (7th Cir. 1948).

<sup>88</sup> *Id.*

<sup>89</sup> Fram & Frampton *supra* note 1.

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

generating revenue. State labor law has already held that students who are employed as dining hall workers, clerical assistants, and dormitory advisors meet the legal standard for an employee.<sup>93</sup> If a university student meets the legal standard of an employee by being employed as a food server in dining halls, answering telephone calls as a telemarketing fund raiser, or as a student advisor, then it logically follows that the student whose scholarship requires that he compete in college football or basketball meets the same standard and should be recognized as an employee.<sup>94</sup> This question has been debated at length, but to this point there has been no definitive answer.

## 2. The Economic Reality Test

In determining an employee under the Federal Labor Standards Act (FLSA) the U.S Supreme Court applied the “economic reality” test in *United States v. Silk*.<sup>95</sup> The five-factor “economic reality” test would be useful in determining whether or not student-athletes are actually employees. The factors are as follows:

- (1) the degree of control exercised by the alleged employer;
- (2) the extent of the relative investments of the [alleged] employee and employer;
- (3) the degree to which the “employee’s” opportunity for profit and loss is determined by the “employer”;
- (4) the skill and initiative required in performing the job; and

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<sup>93</sup> *Id.*

<sup>94</sup> *Id.*

<sup>95</sup> *United States v. Silk*, 331 U.S. 704, 713 (1947).

(5) the permanency of the relationship.<sup>96</sup>

To examine if student-athletes are employees under the “economic reality” test, I interviewed a current University of Connecticut (“UCONN”) Division I Varsity Football player, who had just completed his third season as a linebacker for the UCONN football team.<sup>97</sup> Like all other Division I College Football players, his Monday through Saturday in-season and off-season schedules are structured by his football coaches and are strictly regimented.<sup>98</sup> The football player explained that the athletic department tailors his academic class schedule around his mandatory practice sessions.<sup>99</sup> He explained that the football coaches require the players to eat every meal throughout the day together as a team, including a midmorning and an afternoon snack together. The linebacker coach uses this lunchtime as a film viewing session to review game UCONN campus dining hall.<sup>100</sup> Following breakfast, the football player attends his first class from 11:00 to 11:50 a.m. He stated that the athletic program requires him “to make sure that he gets classes that don’t cut into practice time or conflict with any of the UCONN football team’s workouts.”<sup>101</sup>

The football player attends his second class from 1:00 to 2:15 p.m. In between the first and sec-

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<sup>96</sup> Brock v. Mr. W Fireworks, Inc., 814 F.2d 1042 (5th Cir. 1987) (citing United States v. Silk, 331 U.S. 704, 715).

<sup>97</sup> Interview with a Univ. of Conn. Div. I Varsity Football player (Jan. 29, 2013). Interviewee requested to remain anonymous.

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> *Id.*



ond class, he reports to the dining hall for a team lunch exclusively for linebackers.<sup>102</sup> The linebacker plays and strategies.<sup>103</sup> The football player said, "Coach Wholley will usually make us watch a video of our last opponent and tells us what we will be doing, and what he wants to see out of us in our afternoon practice."<sup>104</sup> From 3:00 to 5:30 p.m., the football player participates in an on-the-field practice that consists of football drills and conditioning.<sup>105</sup> Following the afternoon practice, he reports for the team dinner and then attends an evening class.<sup>106</sup> Additional requirements include that he must room with other members of the team, sit in the front row of the classroom for each of his classes, comply with a bedtime curfew six nights of the week, and the night before each game he must sleep in the campus hotel with the other players.<sup>107</sup>

Applying the UCONN football player's situation to the first factor of the "economics reality" test, it shows that there is a high degree of control that the football player's coaches whom are hired by the University of Connecticut have over him.

The second factor deals with the extent of the relative investments between the student-athletes and their respective schools. Division I college football programs, barring any NCAA penalties or sanctions against them, are allowed 85 scholarships per year to be given out to student-athletes. The scholarships granted to those 85 individuals are good for one year, and the amount of scholarship granted to

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<sup>102</sup> *Id.*

<sup>103</sup> *Id.*

<sup>104</sup> *Id.*

<sup>105</sup> *Id.*

<sup>106</sup> *Id.*

<sup>107</sup> *Id.*

each student-athlete is contingent upon their athletic and academic performance at the university.<sup>108</sup> A grant-in-aid is a transfer of money from the federal government to a state or local government or individual person for the purposes of funding a project or program.<sup>109</sup> Grant money is not a loan, and does not have to be repaid, but it does have to be spent according to the federal government's guidelines for that particular grant.<sup>110</sup>

Applying this to the football player's situation, the federal government gives a fund to the University of Connecticut (an academic institution funded by the state government) for the specific purpose of furthering the UCONN football program.<sup>111</sup> The student-athlete, in this case, the football player, gets the grant-in-aid for one year with the expectation that his athletic performance will help the football team. If enrolled at an NCAA member school and to remain eligible to compete in NCAA intercollegiate competition, the student-athlete must adhere to academic performance standards, set forth by the school itself, the NCAA athletic conference the school is member

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<sup>108</sup> Lynn O'Shaugnessy, *7 Things You Need to Know About Sports. The College Solution*, U.S. NEWS & WORLD REP. (Jun. 22, 2010), <http://www.usnews.com/education/blogs/the-college-solution/2010/06/22/7-things-you-need-to-know-about-sports-scholarships>.

<sup>109</sup> *Grant-In-Aid Definition*, INVESTOPEDIA, <http://www.investopedia.com/terms/g/grant-in-aid.asp> (last visited Jan. 18, 2014).

<sup>110</sup> *See id.*

<sup>111</sup> Steve Berkowitz, Jodi Upton & Erik Brady, *Most NCAA Division I Athletic Departments Take Subsidies*, USA TODAY (Jul. 1, 2013, 12:48 PM), <http://www.usatoday.com/story/sports/college/2013/05/07/ncaa-finances-subsidies/2142443/>.

of, and the NCAA's rules.<sup>112</sup> A general rule for student-athletes to remain eligible is they must be accepted for enrollment in compliance with the school's rules, eligible to practice under the conference and NCAA rules, and be registered for at least 12 credit hours for each academic term.<sup>113</sup>

The NCAA allows a student-athlete to remain eligible for five years of athletic competition within five calendar years of the athlete's full-time enrollment.<sup>114</sup> Student-athletes must earn at least six credit hours each term to be eligible for the following term, in addition to meeting minimum GPA requirements for graduation.<sup>115</sup> For example, at UCONN, the football player must maintain a GPA of at least 1.8, and if he falls below the criteria he would be placed on academic probation.<sup>116</sup>

To summarize, the football player must meet the requirements of academic standing as well as the rigorous time commitment for his chosen sport. This includes on field practice and team meetings, mandatory team wide strength and conditioning sessions, and the actual games. In return for assurance of the football player's effort for optimum performance on the field and in the classroom, the school gave him grant-in-aid of \$26,562 for the year. In addition, for each academic term the football player received an

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<sup>112</sup> UNIV. OF CONN. 2013-2014 STUDENT-ATHLETE HANDBOOK 6-7, available at [http://grfx.cstv.com/photos/schools/conn/genrel/auto\\_pdf/2013-14/misc\\_non\\_event/SAHandbook.pdf](http://grfx.cstv.com/photos/schools/conn/genrel/auto_pdf/2013-14/misc_non_event/SAHandbook.pdf).

<sup>113</sup> See *id.* at 7.

<sup>114</sup> See *id.* at 14, 16.

<sup>115</sup> *Remaining Eligible: Academics*, NCAA, <http://www.ncaa.org/remaining-eligible-academics> (last visited Jan. 18, 2014).

<sup>116</sup> UNIV. OF CONN. 2013-2014 STUDENT-ATHLETE HANDBOOK, *supra* note 112, at 34.

additional \$1,650 to cover the cost of student fees, housing, on/off campus meal plans, books, supplies and transportation. This illustrates that the “relative investments” between the student-athlete and the school, the alleged employee and employer, have been met. The football player as the employee gives up much of his time and is controlled, scheduled, and enforced by his coaches (employees of the University of Connecticut) and in return, he receives a one-year stipend.

The relationship between the football player and UCONN could also be considered an “employee at-will” relationship, due to the fact that if he fails to meet the academic eligibility requirements, or does not comply with the rules in the “Division I Student-Athlete Statement,” UCONN can, after his first full academic year as a Division I student-athlete, deny him grant-in-aid for the upcoming year.

The third factor of the “economic reality” test, that the employee’s opportunity for profit and loss is determined by the employer,<sup>117</sup> is easily met. The football player is required to attend every practice and strength and conditioning workout set up by the coaching staff. The football player says that due to the time commitment, although not expressly stated in the Division I Student-Athlete Statement, it is impossible for him to hold a part-time job.<sup>118</sup> His daytime hours are filled with academics and his commitment to the team activities.<sup>119</sup> It would be reasonable to argue that his participation in UCONN’s football program is a job in itself (through

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<sup>117</sup> *Brock v. Mr. W Fireworks, Inc.*, 814 F.2d 1042 (5th Cir. 1987) (citing *United States v. Silk*, 331 U.S. 704, 715).

<sup>118</sup> Interview with a Univ. of Conn. Div. I Varsity Football player (Jan. 29, 2013).

<sup>119</sup> *Id.*

daily preparation leading to performance at football games) and the school compensates him for this.

As to the fourth factor,<sup>120</sup> the skill required to handle the football player's job is limited to a certain few gifted athletes. For any Division I College Football player in the Football Bowl Subdivision, it is a rare combination of size, speed, and strength that enable an individual to successfully compete at that level. This football player, who received high school and college All-American honors for his football skills, must continue to train daily to maintain his optimum athletic ability.

Finally, the fifth factor, "the permanency of the relationship,"<sup>121</sup> could be reasonably argued to be an "employee at will" agreement. UCONN, at any time, can deny the football player an additional year of grant-in-aid. Before deciding to commit to playing football at UCONN, the football player had to sign the "NCAA National Letter of Intent" and the "Division I Student-Athlete Statement" that details all of the NCAA guidelines, including his full commitment to the UCONN football program.

If for any reason the football player fails to comply with the terms set forth in both forms, the school could deny him a second grant-in-aid year. Also, it is at the school and the coaches' discretion whether the football player is "deserving" of an additional grant-in-aid year. The football player said that the school can deny him an additional grant-in-aid year if, "The coaches don't think I am cutting it."<sup>122</sup> In other words, whether or not the football player re-

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<sup>120</sup> *Mr. W Fireworks*, 814 F.2d at 1042 (citing *United States v. Silk*, 331 U.S. 704, 715).

<sup>121</sup> *Id.*

<sup>122</sup> Interview with a Univ. of Conn. Div. I Varsity Football player (Jan. 29, 2013).

ceives an additional grant-in-aid is in the hands of the coaches and how they view his performance on the football field.

### ***B. Applying the Brown Statutory Test***

The NLRB in *Brown* examined four criteria to decide whether graduate assistants were employees in line with the NLRA. The four criteria were: (1) “the status of graduate assistants as students,” (2) “the role of graduate student assistantships in graduate education,” (3) “the graduate student assistants’ relationship with the faculty,” and (4) “the financial support they receive to attend Brown.”<sup>123</sup>

The first three criteria from the *Brown* Board as it relates to student-athletes as employees are easily met. It is merely impossible to argue against the first criterion because student-athletes, like graduate assistants, routinely attend class to receive an academic degree. The second factor goes to the role of the graduate student assistantships predominately for educational purposes and as a prerequisite to an educational degree.<sup>124</sup> Playing Big-Time College Football or Division I Men’s Basketball is certainly not a prerequisite to obtaining a higher education degree. The third factor has been analyzed and it has been shown that coaches of Division I athletic teams’ exercise a great degree of regulation over their student-athletes.

#### **1. Interpreting the Fourth Factor in *Brown***

The logic underlying the fourth factor of the *Brown* analysis is flawed. Even if the fourth factor was logical, Big-Time College Football and Men’s

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<sup>123</sup> Brown Univ., 342 N.L.R.B. 483 (2004).

<sup>124</sup> *Id.* at 483.

Basketball student-athletes would still be NLRA employees.<sup>125</sup> The *Brown* Board relied upon a fourth element concluding that the graduate assistants were primarily students and not employees.<sup>126</sup> The financial rewards graduate assistants received were not compensation for teaching and research services performed, but were merely financial aid to permit attendance at Brown University.<sup>127</sup> In support of its conclusion, the NLRB underscored two aspects of graduate assistants' financial packages. First, the amount provided to teaching assistants (TAs) and resident assistants (RAs) was the same as that provided to graduate fellows for whom no teaching or research activity was required.<sup>128</sup> Second, the fact that the financial aid awarded to graduate assistants was unrelated to the quality or value of services they rendered, indicated that the payment was not compensation for their services, but was financial assistance to attend school.<sup>129</sup>

The *Brown* Board improperly analyzed the fourth factor of its own analysis. The proper analysis in determining whether a payment is compensation for services rendered, as opposed to financial aid, is whether the payment to the particular person would cease if the services were stopped.<sup>130</sup> It is inconceiv-

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<sup>125</sup> See generally McCormick & McCormick, *supra* note 5.

<sup>126</sup> Brown Univ., 342 N.L.R.B. 483 (2004).

<sup>127</sup> *Id.*

<sup>128</sup> *Id.*

<sup>129</sup> *Id.*

<sup>130</sup> The NCAA requires schools to refer to the agreement between the university and the athlete as a "grant-in-aid" or scholarship, rather than as an employment contract providing pay or other compensation. Article 12.1.1 of the Division I Manual makes it clear that an athlete is not permitted to receive "pay" for athletic services: "An individual loses amateur status and thus shall not be eligible for intercollegiate

able to believe that if TAs and RAs were to withhold their services either collectively or individually, they would continue to receive full scholarships and stipends. It follows logically that the financial aid given to such personnel must be compensation for their services to the university.

Even if this proper analysis of the *Brown* fourth factor was looked at in regards to student-athletes, athletic grants-in-aid are never given without the requirement of athletic services being rendered.<sup>131</sup> Even third or fourth string personnel on a college football team or a 12<sup>th</sup> man on a Division I Men's Basketball team must still attend all practices, abide by team rules, undertake the required and "voluntary" strength and conditioning, and perform all activities identical to their grant-in-aid superstar counterparts. Further, the NCAA makes it clear that no third parties receive grants-in-aid without having to participate in the athletic program as a condition in order to continue being granted the "scholarship" for their athletic services.<sup>132</sup>

Finally, comparing the athletic scholarship with the merit-based or need-based scholarship awarded to a non-athlete undergraduate or a graduate assistant also shows that the former is compensation.<sup>133</sup> Athletic scholarships are granted only if

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competition in a particular sport if the individual: (a) Uses his or her athletics skill (directly or indirectly) for pay in any form in that sport." NCAA DIV. I MANUAL Bylaw art. 12.1.2 (2013), *available at*

<http://www.ncaapublications.com/productdownloads/D114.pdf>. And under NCAA bylaws, the grant-in-aid is not considered "pay" and thus is permitted. *See id.* Bylaw art. 12.01.4 (2013).

<sup>131</sup> *Id.* Bylaw art. 12.01.1.

<sup>132</sup> *Id.* Bylaw art. 15.01.2.

<sup>133</sup> McCormick & McCormick, *supra* note 5, at 155.



the athlete provides athletic services while merit-based or need-based scholarships awarded to non-athletes require no such reciprocity.<sup>134</sup> Merit-based and need-based scholarships are given to enable students to attend universities, but the universities have the option to discontinue scholarships if the student-athletes do not compete for them.<sup>135</sup>

### ***C. The Predominantly Economic Relationship Between Grant-in-Aid Student-Athletes and Their Colleges***

Applying the NLRB's test in *Brown* to grant-in-aid Big-Time College Football and Division I Men's Basketball student-athletes shows that they are not average students and their relationship with their universities is an economic one.<sup>136</sup> In order to show that a university-athlete relationship is predominantly economic in nature, the standard in the past was to demonstrate that the relationship was

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<sup>134</sup> *Id.*

<sup>135</sup> *Id.*

<sup>136</sup> Academic ability is independent of athletic talent.

Consequently, a university program that screens admissions applications based upon potential academic success necessarily excludes many talented athletes, leaving a team on the playing field with diminished athletic potential. As former NCAA Executive Director Byers remembered:

The big timers--building a national entertainment business--wanted the great players on the field, whether or not they met customary academic requirements. In the new open-door era, [in which virtually all high school seniors were academically "eligible" for college athletics because of the wholesale abrogation of academic entrance requirements,] victory-minded coaches sensed a potential recruiting paradise.

McCormick & McCormick, *supra* note 5 at 136.

not primarily academic.<sup>137</sup> “The NCAA academic standards are designed to serve the employers’ enormous commercial interests, enabling universities to recruit and retain gifted athletes rather than to promote true academic achievement.”<sup>138</sup> These “student-athletes” are not primarily students.<sup>139</sup> The majority of these individuals are inadequately prepared to handle the academics at their respective universities and thus unable to adequately further their education.<sup>140</sup> The NCAA denotes these individuals as student-athletes in order to disguise their legal status of employees in the commercial college sports entertainment industry.<sup>141</sup>

The Board in *Brown* decided that the relationship between graduate assistants is primarily an academic one as opposed to an economic one.<sup>142</sup> If the relationship was found to be for a university’s commercial benefit, then the decision may have gone the other way. The Board refused to “assert jurisdiction over relationships that are primarily educational.”<sup>143</sup>

### **1. Johnny Manziel’s Right of Publicity: The Misappropriation of His Likeness for the Commercial Benefit of Texas A&M University**

If an NCAA student-athlete uses his or her likeness for his or her own commercial benefit, it may result in that athlete’s ineligibility. When this same student-athlete makes his debut onto the cam-

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<sup>137</sup> *Id.* at 135.

<sup>138</sup> *Id.*

<sup>139</sup> *Id.*

<sup>140</sup> *Id.* at 157 (citing interviews with various college athletes about the secondary emphasis placed on academics).

<sup>141</sup> *Id.* at 135.

<sup>142</sup> *Brown Univ.*, 342 N.L.R.B. 483, 489 (2004).

<sup>143</sup> *See id.*

pus field or court and performs at a high level, the NCAA and the athlete's school recognize that they can reap commercial benefits from the athlete's performance, which is actually exploiting the student-athlete.<sup>144</sup> This poses a legal question for the NCAA and its relationship with the current student-athlete. Exploiting the student-athlete for a commercial benefit actually undermines the NCAA's amateurism dogma.

Texas A&M Quarterback Johnny Manziel and his family recognized the intent of the NCAA and began to take steps to trademark his coveted name, "Johnny Football."<sup>145</sup> A trademark is "a word, phrase, logo, or other graphic symbol used by a manufacturer or seller to distinguish its product or products from those of others. . . . In effect, a trademark is the commercial substitute for one's signature."<sup>146</sup> Texas A&M University did not hesitate to try and reap the commercial benefit from Manziel's star status. "Texas A&M is working in concert with the Manziel family to trademark the nickname," said Shan Hinckley, who is an Assistant Vice President of Business Development at the school and runs the Texas A&M University Aggies' licensing program.<sup>147</sup>

The news was reported to the NCAA less than two weeks after the investment organization filed for

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<sup>144</sup> Joye Pruitt, *NCAA: Why Student-Athletes Should Be Paid for Achievements in College*, BLEACHER REP. (Mar. 21, 2011), [http://bleacherreport.com/articles/650687-ncaa-why-student-athletes-should-be-paid-for-achievements-in-college?comment\\_id=4313772](http://bleacherreport.com/articles/650687-ncaa-why-student-athletes-should-be-paid-for-achievements-in-college?comment_id=4313772).

<sup>145</sup> Darren Rovell, *A&M, Family Covet 'Johnny Football'*, ESPN (Nov. 11, 2012), [http://espn.go.com/college-football/story/\\_/id/8619087/johnny-manziel-family-trademark-johnny-football](http://espn.go.com/college-football/story/_/id/8619087/johnny-manziel-family-trademark-johnny-football).

<sup>146</sup> BLACK'S LAW DICTIONARY 1630 (9th ed. 2009).

<sup>147</sup> Rovell, *supra* note 145.

the “Johnny Football” trademark.<sup>148</sup> The lawyer who filed the trademark did not comment after the investigation but a university official confirmed the lawyer was not working with Texas A&M University or the Manziel family.<sup>149</sup> The NCAA made it known that in order for Johnny Manziel to keep his eligibility, neither Texas A&M nor his family could sell products that in any way hint of a connection to the Texas A&M quarterback Johnny Manziel.<sup>150</sup> Also, the NCAA notified Texas A&M to ensure that the school prohibits vendors from selling products hinting to the moniker “Johnny Football.”<sup>151</sup>

The Manziel family may have to wait two more years to attempt to own the trademark “Johnny Football” for licensing and merchandising deals, since Manziel just finished his freshman football season.<sup>152</sup> NCAA regulations require that a Division I football player remain in school for at least three years. In order for Manziel to maintain his athletic eligibility at Texas A&M the NCAA asserted that neither the university or Manziel and his family can sell products that connect ‘Johnny Football’ to

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<sup>148</sup> *Id.*

<sup>149</sup> *Id.*

<sup>150</sup> *Id.*

<sup>151</sup> Kenny Ryan, *While NCAA Rules Prohibit Manziel from Profiting from His Own Success, It Can't Stop Others*, Daily Times (Dec. 15, 2012), [http://dailytimes.com/manziel/article\\_d469e192-4691-11e2-8554-0019bb2963f4.html](http://dailytimes.com/manziel/article_d469e192-4691-11e2-8554-0019bb2963f4.html).

<sup>152</sup> See generally *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1047 (1999). A party can rebut the presumption that a registered trademark is valid and that registrant is entitled to exclusive use of mark by showing that the party used the mark in commerce first, since a fundamental tenet of trademark law is that ownership of an inherently distinctive mark is governed by priority of use.

Manziel himself.<sup>153</sup> Moreover, the NCAA put Texas A&M on notice that they must take reasonable affirmative steps to stop vendors from doing the same.<sup>154</sup> Once the NCAA told the school to enforce this policy against vendors, Texas A&M took appropriate steps in October and November 2012.<sup>155</sup> However, Manziel's number 2 jersey was available at the school's bookstore on Friday, November 9, 2012. The bookstore completely sold out his jersey over that weekend and another shipment of his number 2 jersey arrived on Monday November 12, 2012.<sup>156</sup> From that point on it was a revolving door of number 2 Texas A&M football jerseys being shipped to the store and purchased by consumers. Before that, the only two Texas A&M football jerseys on the shelves in the Texas A&M bookstore that were available for purchase bore the numbers 1 and 12.<sup>157</sup> There was never a Texas A&M football jersey with the number 2 on it in the bookstore available for purchase before Manziel's jersey.<sup>158</sup>

Since Manziel's name, image or the moniker "Johnny Football" was not placed anywhere on the Texas A&M football jersey that had the number 2 on it, the NCAA and Texas A&M University would argue that they are in no way exploiting Manziel's likeness. The school would say that it never attached

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<sup>153</sup> Joseph Jacobsen, *Google and Stanford Help Texas A&M Save Its Football Season, Capture the "Johnny Football" Asset, and Begin to Realign Student-Athlete Rights*, 22 TEX. ENT. & SPORTS L.J. 7 (2013), available at <http://teslaw.org/wp-content/uploads/2012/02/TESLAW-Journal-Fall2013.pdf>.

<sup>154</sup> *See id.*

<sup>155</sup> Ryan, *supra* note 151.

<sup>156</sup> Telephone interview with a Texas A&M Merchandise Representative (Oct. 15, 2012).

<sup>157</sup> *Id.*

<sup>158</sup> *Id.*

Johnny Manziel's name, image, or likeness to the sold commercial merchandise and thus never exploited him for the school's financial gain.

However, once a person is well-known entity and a drawing card for revenue generating public consumption, a person's likeness is not limited to name, moniker, and image. A person's likeness can also be an identifiable mark or trait of a person. This is evident in the California Court of Appeal case, *Motshenbacher v. R. J. Reynolds Tobacco Co.*<sup>159</sup>

In *Motshenbacher*, Lothar Motshenbacher was a Formula I race driver who had his car painted in esoteric color designs so that they would stand apart from the other cars.<sup>160</sup> R. J. Reynolds created a commercial with cars on the track and the plaintiff's car in the foreground. The plaintiff's image was scrambled so he could not be identified and some of the car's characteristics were changed.<sup>161</sup> The car's number was changed from 11 to 71, and a wing spoiler was added to the back of the car.<sup>162</sup> The red color and the white pinstripes remained, however, giving the illusion that Motshenbacher was driving the car.<sup>163</sup> The initial decision of the trial court found in favor of the defendant, with the court finding that (1) the person driving the car was unrecognizable and therefore unidentifiable, and (2) a reasonable inference could not be drawn that the driver was Motschenbacher, or any other driver.<sup>164</sup> But the California Court of Appeal reversed the trial court's

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<sup>159</sup> *Motschenbacher v. R. J. Reynolds Tobacco Co.*, 498 F.2d 821, 824 (1974).

<sup>160</sup> *Id.*

<sup>161</sup> *Id.*

<sup>162</sup> *Id.*

<sup>163</sup> *Id.* at 822.

<sup>164</sup> *Id.* at 822.

decision and stated that the fact that the likeness of the driver (alleged to be Motschenbacher) was unrecognizable in the commercial, the number of the racing car had been changed from 11 to 71 and the fact that car now had an added spoiler did not preclude a finding that the driver was identifiable as Motschenbacher in view of the distinctive decorations on the car. The California Court of Appeal for those reasons held that the use of the car was a misappropriation of an identifiable attribute of Motschenbacher, thus violating his right of publicity.<sup>165</sup>

Applying the California Court of Appeal's reasoning to the Texas A&M number 2 football jersey, when a Texas A&M student, alumni member, or general college football fan walks into the Texas A&M bookstore, a more than reasonable inference will be drawn that the player who wears that Texas A&M number 2 football jersey on Saturdays is Johnny Manziel. First, it is the Texas A&M Football Team jersey and second, the number 2 is on the jersey and the inference can be made that the jersey is that of Johnny Manziel. In view of the distinctive commercial object, the number 2 Texas A&M Football jersey is identifiable by the majority of the public as Johnny Manziel's jersey. For these reasons, the NCAA and Texas A&M's use of the number 2 Texas A&M football jersey on it is a misappropriation of an identifiable attribute of Johnny Manziel for the sole advantages of the NCAA and Texas A&M University advantage, thus violating Manziel's right of publicity.

Additionally, Texas A&M knows that it can make money indirectly from Johnny Manziel by selling jerseys, T-shirts and hats with the signature

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<sup>165</sup> *Id.* at 827.

number 2 placed on them, but they're not permitted to use Manziel's name, likeness or "Johnny Football" moniker.<sup>166</sup> That did not stop Texas A&M from doing what they are allowed to do within the NCAA rules.<sup>167</sup> Over the course of the 2012-2013 college football season, 2,500 Texas A&M Replica Football jerseys and 1,400 t-shirts with the number 2 were sold at the Texas A&M campus store.<sup>168</sup> Another shipment of T-shirts was made to the Texas A&M campus store sometime in early December after the T-shirts sold out.<sup>169</sup>

Football helmets signed by Manziel, (or at least advertised as signed by him, as Texas A&M University officials say many of the items are fake), have sold for more than \$400.<sup>170</sup> One seller on eBay who claims to be selling the original "Johnny Football" shirt boasts in his listing that he has sold 625 footballs and helmets.<sup>171</sup> Also listed is a version of a pullover-hooded sweatshirt with a new phrase growing in commercial popularity, "HEISMANZIEL."<sup>172</sup> Other items listed for commercial consumption were bumper stickers, trading cards, custom figurines, iPhone cases, and mugs.<sup>173</sup>

Scenarios like the one with Johnny Manziel have been an ongoing commercial benefit for the

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<sup>166</sup> Darren Rovell, *Will Johnny Manziel Ever Cash In?*, ESPN (Dec. 7, 2012, 10:47 AM), [http://espn.go.com/blog/playbook/dollars/post/\\_id/2547/will-johnny-manziel-ever-cash-in](http://espn.go.com/blog/playbook/dollars/post/_id/2547/will-johnny-manziel-ever-cash-in).

<sup>167</sup> *Id.*

<sup>168</sup> *Id.*

<sup>169</sup> *Id.*

<sup>170</sup> *Id.*

<sup>171</sup> *Id.*

<sup>172</sup> *Id.*

<sup>173</sup> *Id.*



NCAA member schools for several years. It would be unreasonable to think that the University of Florida did not make a small fortune by selling University of Florida football jerseys with the number 15 when Tim Tebow was the quarterback for the Gators. It is also reasonable to believe that the University of Texas increased its revenue by selling the University of Texas football jerseys with the number 10 the year Vince Young was playing quarterback for the Longhorns. However, there will be much larger revenues generated for Texas A&M University with respect to sales of the football jerseys with the number #2 over the next two years. Texas A&M's Vice President John Cook said, "Frankly, we're not doing anything that hasn't been done before. The difference is he's [Quarterback Johnny Manziel] a freshman."<sup>174</sup> It is an important difference. Johnny Manziel flourished as a star quarterback as a true freshman. Under the NCAA bylaws, Manziel will be forced to play at the Division I College Football level for at least two more years before becoming eligible to enter the National Football League draft.<sup>175</sup>

In all likelihood Johnny Manziel will play his second and third year of Division I college football eligibility as quarterback for the Texas A&M Aggies and the money at the campus bookstore will continue to flow in. The average price of a replica football jersey, whether college or professional, is between \$60 and \$70. Replica T-shirts sell for approximately \$20 each.<sup>176</sup> Furthermore, one can speculate that other merchandise will be sold at Texas A&M given the fact the school officials will surely think of innovative

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<sup>174</sup> *Id.*

<sup>175</sup> *Id.*

<sup>176</sup> *Id.*

ways to try and disguise the inference of Manziel's name, image or likeness. It is more than reasonable to infer and conclude that the revenue Texas A&M University will generate from the sales of commercial merchandise while Johnny Manziel is still playing quarterback for the Aggies during the 2013-2014 and 2014-2015 college football seasons will be similar if not greater than in the 2012-2013 season.

The amount of potential revenue that Manziel will generate for the school is certainly substantial. Yet it is simply incomprehensible that under the current NCAA bylaws, Manziel will not receive any monetary compensation for any item sold bearing a resemblance to him. Texas A&M will certainly cash in big if it continues to sell commercial merchandise carrying the number 2, and continuing to misappropriate Johnny's Manziel's likeness for its own commercial benefit.

NCAA President Mark Emmert feels that it is a non-issue that Manziel can market his image and likeness while enrolled at an NCAA member school. Although an athlete like Manziel can generate future profits for himself through his image and likeness, it does not mean he should be able to do so while enrolled at Texas A&M. He further contends that one of the reasons it is hard to figure an appropriate monetary compensation for Manziel is because it is not known how much Manziel himself helped to sell any item, whether a Football Jersey, T-shirt, football, Texas A&M helmet, etc. President Emmert said,

The position of the NCAA has always been that when a student is playing for their university, they are getting the full advantage of being part of that university. They are able to build on that popularity,

and when they go pro, they are extraordinarily well-positioned to monetize their brand. And why will Johnny Manziel be able to do that? Because he played at Texas A&M and was successful and perhaps won the Heisman.<sup>177</sup>

President Emmert further contends, "It's not just that it's a No. 2 [jersey], . . . [i]t's a Texas A&M No. 2. I can't parse out the value of the number on one side and the university on the other. They go together."<sup>178</sup>

However, this statement does not focus on the reality of why there would be such substantial sales of Texas A&M number 2 jerseys and T-shirts. The reason is that the number 2 is a recognizable attribute as Johnny Manziel's Texas A&M football jersey number. It is a difficult inference to make that the success Johnny Manziel experienced as freshman college football quarterback would automatically lead him to the National Football League, enabling him to reap the benefits of his brand "Johnny Football."<sup>179</sup> What if Manziel suffers a career ending injury while in college or suffers an injury that will weaken his playing ability as a quarterback for the remainder of his career?

Emmert, in his assertion, is guaranteeing that Manziel will have a successful professional career in the National Football League, or other professional football league, after his time at Texas A&M. This is a risky assumption to make in a violent game like football where injuries occur often and unexpectedly.

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<sup>177</sup> *Id.* (citations omitted).

<sup>178</sup> *Id.*

<sup>179</sup> *Id.*

***D. NCAA Proposal 26: An Attempt to Further Disguise the NCAA "Money Machine" by Exploiting Student-Athletes' Likenesses***

Technological advancements, such as the improvement of video game graphics, have forced the NCAA to change its rules that govern corporate sponsorship attaching themselves to student-athletes. For example, the NCAA's current rules allow a corporate sponsor, such as NIKE, to attach its brand name to current student-athletes, where those same athletes appear at NCAA sanctioned events. Moreover, the current rules allow corporate sponsors to attach themselves to student-athletes and advertise their brand, as long as it is contemporaneous with "promoting NCAA athletic competitions or other NCAA sanctioned events."<sup>180</sup>

The NCAA is continuously testing the waters in this respect. In March 2011, the NCAA Cabinet sponsored possible amendments to its likeness proposal.<sup>181</sup> The Cabinet, in an article posted on the NCAA website, stated,

Prop[osal] No. 2010-26, aims to accommodate advancements in technology and facilitate more authentic promotions associating schools with their sponsors while maintaining the Association's fundamental principles that prohibit commercial exploitation of student-athletes.<sup>182</sup>

The proposal that follows the principles developed by the 2008 Presidential Task Force on Com-

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<sup>180</sup> *Cabinet Sponsors Possible Amendments to Likeness Proposal*, *supra* note 82.

<sup>181</sup> *Id.*

<sup>182</sup> *Id.*

mercial Activity in Division I Athletics continues many of the safeguards contained within the current legislation, which allows the use of student-athlete's name or likeness for "promotions, advertisements and media activities if specific conditions are met."<sup>183</sup> "Among current conditions carried over into the new legislation" of Proposal No. 2010-26 are: (1) student-athlete permission and (2) athletic director approval for each activity. Additionally the new proposal takes those two core requirements and adds a refinement:

Promotional activity by a sponsor of an institution, conference or the NCAA must clearly identify the commercial entity's sponsor affiliation (for example, an official sponsor of the institution or event) when student-athlete images are shown.<sup>184</sup>

The two current conditions in Proposal 2010-26 are tainted and represent legal issues for the NCAA. In regard to a student-athlete's permission to use their likeness for the NCAA's purported commercial purposes, the NCAA would be able to do this even if they never approached the athlete for consent to use his image for the association's own commercial purposes.<sup>185</sup> Technically, the student-athlete had already consented to this by signing the NCAA's Student-Athlete Form 08-3a found in the NCAA Division 1 National Letter of Intent.

### **1. Student-Athlete Permission**

As previously mentioned, before the student-

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<sup>183</sup> *Id.*

<sup>184</sup> *Id.*

<sup>185</sup> *Id.*

athlete is allowed to participate in practice he or she must sign various sections of Student-Athlete Statement Form 08-3a, which contains the language referring to the use of their images and likeness to promote NCAA championships, activities, events, or other programs. The wording is vague and ambiguous. This could present a legal dilemma for the NCAA. As mentioned earlier, the student-athletes must sign Form 08-3a in order to participate in team practices and games, NCAA athletic competitions, among other NCAA member institutions.

These student-athletes are essentially left with no reasonable alternative but to sign Form 08-3a. It is unreasonable to argue that a student-athlete would refuse to sign Form 08-3a, and thus voluntarily pass up their NCAA athletic eligibility because of their preference for the NCAA not to use their name, image, or likeness to further promote the association.

## **2. Athletic Director Approval**

Proposal 26 arose from a debate. Some NCAA athletic directors supported the idea of attaching a brand, such as NIKE, to a current student-athlete. Some athletic directors approved this because they each recognize that attaching a corporate sponsor to a current student-athlete's name image or likeness would create a new source of revenue to college sports programs.<sup>186</sup> Given the way the purported amendments in Proposal 26 are drafted, athletic directors will now search for imaginative ways to gen-

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<sup>186</sup> Jerry Briggs, *Caution Advised on NCAA Legislation Over Likenesses: Potential Revenue Source Could Lead to Controversy*, MY SAN ANTONIO (Jan. 16, 2011), <http://www.mysanantonio.com/sports/article/Caution-advised-on-NCAA-legislation-over-959224.php>.

erate revenue for their athletic department by attaching brands to well-known student-athletes' names, images, or likeness.<sup>187</sup> University of Texas San Antonio Athletic Director Lynn Hickey argued if the NCAA wants to use the student-athletes' images and likeness for promotion it should be done in a way to help them rather than exploit them.<sup>188</sup> Athletic Director Hickey then added,

It would be great to do something that would give the kids more visibility or to give more credit to the program," Hickey said. "But how are you going to determine if you're just not producing revenue for the corporate group vs. the university's interests?"<sup>189</sup>

It is hard to say, but it is more likely than not that the NCAA has created a new source of revenue generation for itself and is exploiting the student-athletes for its own commercial benefit. Moreover, some athletic directors of the NCAA's member schools already recognize student-athletes as a drawing card to the public, thus attaching a brand to well-known student-athletes would create a huge revenue stream.

Proposal 26 is aimed at avoiding the exploitation of current student athletes while broadening the scope of what sponsors can do with promotions. Aside from the already mentioned current rules in the legislation, athletes would not endorse commercial products. The current proposal combines these three core requirements of student-athlete permis-

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<sup>187</sup> *Id.*

<sup>188</sup> *Id.*

<sup>189</sup> *Id.* (internal quotations omitted).

sion, athletic director approval, and non-commercial products and adds refinements, including: "A promotional activity by a sponsor of an institution, conference or NCAA must clearly identify entity's sponsor affiliation."<sup>190</sup> This raises issues and demonstrates why these student-athletes should be compensated for their revenue producing skills. Mike Rodgers, the faculty athletics representative at Baylor University, argued for this new refinement set forth in Docket No. Proposal 2010-26 to the NCAA Division I Amateurism Cabinet.<sup>191</sup>

There have been several arguments for paying student-athletes in the past. A common argument that several officials have made is generally summarized as follows, "Why would we not pay these student-athletes? They are the people that draw 111,000 paid spectators for Saturday football games at the Big House (The University of Michigan Football Stadium). They are the people who sell out Cameron Indoor Field House for every Duke University Home Basketball Game."

But now the NCAA and some of its member schools' athletic directors want to attach corporate sponsorships to these student-athletes' names, images, and likeness to make more money, without giving the athletes any portion of the revenue. It would be difficult for the NCAA to argue that a decision to use these student-athletes' images or likenesses in any way that it or its member schools saw fit, would center around the student-athlete's welfare as opposed to the exploitation of these athlete for their own commercial benefit.

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<sup>190</sup> *Id.*

<sup>191</sup> *Cabinet Sponsors Possible Amendments to Likeness Proposal*, *supra* note 82.



In the year 2014, it is a realistic fact that high level student-athletes are a huge attraction to the general public.<sup>192</sup> There is no problem with the NCAA and its member institutions attaching current student-athletes to corporate sponsorships, but if this is the NCAA's projected future of how it will operate its commercial enterprise, the NCAA must begin to compensate these student-athletes, because failing to do so would clearly be exploiting these athletes' names, images, and likeness for its sole commercial benefit.<sup>193</sup>

***E. Recognition of the NCAA's Manifest Disregard and Exploitation of Student-Athletes***

Big-Time College Football and Division I Men's Basketball have both transformed into revenue-generating machines.<sup>194</sup> The college football teams who participate in different Bowl Games receive a hefty payout. The majority of the money is distributed equally to that conference's member institutions in addition to a windfall for the teams competing in the Bowl Games.<sup>195</sup> Division I Men's Basketball fares relatively well as well, with the NCAA licensing the rights to CBS and its member channels for 14 years to exclusively broadcast the March Madness tournament for \$10.8 billion.<sup>196</sup>

These statistics, along with the financial aid these student-athletes get specifically to compete in

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<sup>192</sup> Briggs, *supra* note 186.

<sup>193</sup> *Id.*

<sup>194</sup> Fram & Frampton, *supra* note 1.

<sup>195</sup> Jon Solomon, *Profit from BCS National Championship Game Won't Be a Big Windfall*, BIRMINGHAM NEWS, (Jan. 5, 2010 at 9:01 PM), [http://blog.al.com/birmingham-news-stories/2010/01/profit\\_from\\_bcs\\_national\\_champ.html](http://blog.al.com/birmingham-news-stories/2010/01/profit_from_bcs_national_champ.html).

<sup>196</sup> Fram & Frampton, *supra* note 1.

NCAA competitions, shows that they are getting compensated for their athletic services rendered to their universities. It has been demonstrated, but not held to date by the NLRB or the judiciary, that the Big-Time College Football and Division I student-athlete-university relationship is predominantly an economic and not an educational one.<sup>197</sup> Therefore, they should be considered employees under the NLRB legal standards. Additionally, both former and current Big-Time College Football and Division I Men's Basketball student-athletes have acknowledged that the NCAA has turned into a "money making machine" for its own commercial benefit.<sup>198</sup>

The lawsuit filed by former University of California Los Angeles (UCLA) Men's Basketball player Ed O'Bannon,<sup>199</sup> demonstrates that former student-athletes recognize that the NCAA misappropriates their likenesses for its own commercial benefit, and fails to compensate these once NCAA student-athletes even though these athletes are no longer enrolled in college. Several former Big-Time College Football and Division I Men's Basketball players attempted to join O'Bannon's lawsuit in a consolidated class action Complaint filed in July 2013.<sup>200</sup> The players received a class action certification for the lawsuit against the NCAA, and the lawsuit is set for trial in early 2014.

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<sup>197</sup> Fram & Frampton, *supra* note 1.

<sup>198</sup> See John J. Leppler, Is the Unauthorized Use of Former Collegiate Student-Athletes' "Likeness" a Violation of Their Right of Publicity? 26-27 (Nov. 2012) (unpublished manuscript) available at [http://works.bepress.com/john\\_leppler/1/](http://works.bepress.com/john_leppler/1/).

<sup>199</sup> O'Bannon v. Nat'l Collegiate Athletic Ass'n, No. C 09-1967 CW, 2010 WL 445190 (N.D. Cal. Feb. 8, 2010).

<sup>200</sup> In re NCAA Student-Athlete Name & Licensing Litig., No. C 09-019667 CW, 2013 WL 3810438 (N.D. Cal. July 19, 2013)

**1. *O'Bannon v. NCAA* and Student-Athlete Statement Division I Form 08-3a Section IV**

*O'Bannon*, barring a settlement, will most likely be tried in 2014<sup>201</sup> and may ultimately foreclose that the relationship between these student-athletes and their universities is purely an economic one, and therefore student-athletes should be compensated for their athletic services rendered to their universities.

Ed O'Bannon, a former college basketball player for UCLA, filed the aforementioned class action lawsuit in July 2009 against the NCAA, CLC, and EA claiming that the defendants were conspiring to use former collegiate players' images and likenesses for commercial benefit in perpetuity, because the former players had relinquished their personal attribute rights by signing the Student-Athlete Statement Division I Form 08-3a Section IV.<sup>202</sup> EA sought a dismissal, arguing that the company was simply following the rules laid down by the NCAA: former athletes' rights were relinquished and they did not have to be compensated for the use of their images or likenesses.<sup>203</sup> Judge Claudia Wilken of the US District Court of Northern California agreed with EA, Inc. and granted the company a dismissal in May 2011.<sup>204</sup> In doing so, Judge Wilken stated:

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<sup>201</sup> Dennis A. Johnson & John Acquaviva, *Point/Counterpoint: Paying College Athletes*, SPORT J. (June 15, 2012, 9:48 AM), <http://thesportjournal.org/article/pointcounterpoint-paying-college-athletes>.

<sup>202</sup> *O'Bannon*, 2010 WL 445190, at \*2; see Leppler, *supra* note 198 at 23.

<sup>203</sup> In re NCAA Student-Athlete Name & Likeness Litig., No. CV-09-1967-CW, 2013 WL 5402512 (N.D. Cal. Sept. 27, 2013).

<sup>204</sup> In re NCAA Student-Athlete Name & Likeness Litig., No. C 09-1967 CW, 2011 WL 1642256 (N.D. Cal. May 2, 2011).

This purported conspiracy involves 'Defendants' concerted action to require all current student-athletes to sign forms each year that purport to require each of them to relinquish all rights in perpetuity for the use of their images, likeness and/or names' and to deny any compensation 'through restrictions in the [NCAA] Bylaws.' The Consolidated Amended Complaint, however, does not contain any allegations to suggest that EA agreed to participate in this conspiracy.<sup>205</sup>

But Judge Wilken left the door open for the plaintiff to introduce evidence that would show that EA was involved with a conspiracy to use the former athletes for commercial benefit without compensation.<sup>206</sup> O'Bannon's attorney Jon King later argued that the rules that apply to current student-athletes should not govern former student-athletes in relation to compensation if their images or likenesses are used for commercial benefit, and that EA conspired with the NCAA and CLC not to pay them.<sup>207</sup>

If the plaintiffs win *O'Bannon*, the decision will not only forever affect the way the NCAA conducts its commercial business but may also prove the relationship between these particular student-athletes and their universities is predominantly an economic one, leading to the conclusion that the student-athletes should be compensated by more than just a financial aid package.

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<sup>205</sup> *Id.* at \*6 (citation omitted).

<sup>206</sup> In re NCAA Student-Athlete Name & Likeness Litig., No. C 09-1967 CW, 2011 WL 1642256 (N.D. Cal. May 2, 2011).

<sup>207</sup> In re NCAA Student-Athlete Name & Likeness Litig., No. C 09-1967 CW, 2011 WL 1642256 (N.D. Cal. May 2, 2011).

## 2. What the Future May Hold for the NCAA as a Result of the Forthcoming *O'Bannon* Decision

Regardless of whether the Manziel family eventually receives the “Johnny Football” football trademark, the Manziel family recognizes the NCAA’s restriction of student-athletes to license their likenesses, so that the NCAA is the only entity currently allowed to use each student-athlete’s likeness for its own commercial benefit. This demonstrates the economic nature of this relationship between student-athletes and the NCAA.

One further point with respect to the *O'Bannon* case, U.S. District Court Judge Alfred Covello has ordered ESPN to provide Ed O'Bannon and his attorneys with its television and licensing contracts for Division I Men's Basketball and Football since 2005.<sup>208</sup> The order sets the table for O'Bannon to gain a much better understanding of how much the NCAA profits from current and former players' names, images and likenesses.<sup>209</sup> The order also highlights how the *O'Bannon* case threatens not only the NCAA and its member institutions, but also companies that have profited from Division I Men's Basketball and football through contracts with the NCAA and members.<sup>210</sup> Judge Covello's ruling is a

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<sup>208</sup> Michael McCann, *Judge Orders ESPN to Turn Over Contracts in Ed O'Bannon Case*, SPORTS ILLUSTRATED (Oct. 2, 2012, 4:26 PM), [http://sportsillustrated.cnn.com/2012/writers/michael\\_mccann/10/02/Ed-O-Bannon-ESPN/index.html](http://sportsillustrated.cnn.com/2012/writers/michael_mccann/10/02/Ed-O-Bannon-ESPN/index.html).

<sup>209</sup> *Id.*

<sup>210</sup> *Id.*

O'Bannon claims that, among other things, Form 08-3a and Article 12.5.1.1 enable NCAA to enter into licensing agreements with companies that distribute products containing student athletes' images . . . and [the athletes] do not re-

reminder that the *O'Bannon* case presents real financial and legal risk for the NCAA, CLC or any of the NCAA's member institutions.<sup>211</sup>

The information that ESPN was enjoined to disclose by Judge Covello, which ESPN considered privileged, is nowhere near the biggest worry.<sup>212</sup> Regardless of whether the plaintiffs win, the NCAA, CLC, EA, and any other entity (including ESPN) will be forced to surrender its own private knowledge of just how much it has profited from the labor of Big Time College Football and Division I Men's Basketball student-athletes.<sup>213</sup> If the plaintiffs in fact win in 2014, it follows that the court will hold that the NCAA wrongly profited from the names, images, and likenesses of the student-athletes.<sup>214</sup> If the NCAA did this knowingly, then the companies connected

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ceive compensation for the use of their images. *O'Bannon* Compl. ¶ 80. O'Bannon asserts that NCAA's and CLC's actions excluded him and other former student athletes from the collegiate licensing market. He claims that, because NCAA has rights to images of him from his collegiate career, it, along with its co-conspirators, fix the price for the use of his image at 'zero.' *O'Bannon* Compl. ¶ 86. He maintains that this conduct 'has artificially limited supply and depressed prices paid by Defendants and their co-conspirators to Plaintiff and the members of the Class for use of their images after cessation of participation in intercollegiate sports.' *O'Bannon* Compl. ¶ 182.

*O'Bannon*, 2010 WL 445190, at \*3.

<sup>211</sup> McCann, *supra* note 208.

<sup>212</sup> *Id.*

<sup>213</sup> *Id.*

<sup>214</sup> *Id.*; see also *O'Bannon*, 2010 WL 445190 (N.D. Cal. Feb. 8, 2010).

with the NCAA have arguably done the same.<sup>215</sup>

Regardless of the outcome of *O'Bannon*, it is no longer a secret as to how much the NCAA benefits from these particular student-athletes.<sup>216</sup> If the plaintiffs lose, it is only a matter of time as to when the judiciary and the NLRB will come to conclude that the relationship between the schools and their grant-in-aid Big-Time College Football and Division I Men's Basketball student-athletes is predominantly an economic one, and therefore student-athletes should be compensated by the school for their services rendered.

### ***A. Possible Methods of Compensation for Student-Athletes***

The cornerstone of the NCAA's argument is that it wants to instill the notion of amateurism in college athletics.<sup>217</sup> Since the beginning of college athletics, student-athletes have played for pride and for the love of the game, without being compensated for their performance on the fields and courts. However, the time has come for the NCAA to shy away from this ancient hallmark, and begin to pay players. Wallace Renfro, an NCAA Senior Policy analyst, commented on the NCAA's economic model that redistributes money from revenue generating sports to other parts of the athletic department at a university.<sup>218</sup> Renfro drafted a memo to NCAA President, Mark Emmert, noting that the term student-athlete

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<sup>215</sup> McCann, *supra* note 208.

<sup>216</sup> *Id.*

<sup>217</sup> Pruitt, *supra* note 144.

<sup>218</sup> Tom Farrey, 'Student-Athlete' Term in Question, ESPN (Sept. 19, 2012, 8:31 PM), [http://espn.go.com/espn/otl/story/\\_/id/8396753/ncaa-policy-chief-proposes-dropping-student-athlete-term](http://espn.go.com/espn/otl/story/_/id/8396753/ncaa-policy-chief-proposes-dropping-student-athlete-term).

is one that “Walter Byers created to counter the criticism that we are paying college athletes when we began providing grants-in-aid.”<sup>219</sup> Walter Byers, the first executive director of the NCAA, coined the phrase grant-in-aid, and the term has been used ever since to describe an athletic scholarship.<sup>220</sup>

Renfro wrote the memo to Emmert in response to the *O'Bannon* suit's claim that the NCAA violates antitrust laws by preventing universities from allowing athletes to be compensated beyond the monetary amount of a grant-in-aid. An important quote from the memo, which Emmert has not yet responded to, is as follows:

We have always had a cradle-to-grave approach to amateurism,' Renfro wrote. 'You are born an amateur, but like innocence once lost, it cannot be regained. But our commitment to amateurism has often been based on something other than how we define amateurism in our own constitution. In the most romantic sense we think of amateurism as playing sports for the love of the game, for the camaraderie among competitors, for the pride of victory for school or colors, and then we use this romanticized sense of amateurism to define the entire enterprise of collegiate athletics.’<sup>221</sup>

This quote alone speaks volumes. The NCAA

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<sup>219</sup> *Id.* (internal quotations omitted).

<sup>220</sup> *Id.*

<sup>221</sup> *Id.* (internal quotes omitted); see Eamonn Brennan, *First Wave of NCAA Documents Arrive*, ESPN (Sept. 19, 2012, 1:05 PM), <http://m.espn.go.com/general/blogs/blogpost?blogname=collegebasketballnation&id=64203&wjb=>.



understands that the amateurism veil is pierced, and the NCAA must move forward and leave behind the antiquated notion that the student-athlete only receives the grant-in-aid money, when evidence clearly shows that the student-athletes deserve more or at least “a cut of the pie” from the revenue they generate for the NCAA from their services rendered.<sup>222</sup>

However, there are ways to compensate the student-athletes and at the same time promote the amateurism of college athletics, even if the student-athlete and NCAA relationship is predominantly an economic one.<sup>223</sup> There are three different possibilities.

First, the NCAA should set up an escrow account for each student-athlete, where money earned from NCAA licensing and merchandising deals with respect to each player will be deposited.<sup>224</sup> Having this type escrow account for each student-athlete would be more effective than the potential of having the NLRB regulate the distribution of the licensing and merchandising revenue. The marketplace will determine what each student-athlete earns – the same scheme used in professional sports leagues.<sup>225</sup>

Second, the NCAA could pay players based on their merit and performance in games. In this scenario, the financial situation would not be determined by the celebrity status of the student-athlete.<sup>226</sup> From a performance standpoint, compen-

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<sup>222</sup> Steve Haywood, *Top College Athletes Deserve a Piece of the Pie*, ONMILWAUKEE.COM (May 14, 2008, 6:53 PM), <http://onmilwaukee.com/myOMC/authors/stevehaywood/haywoodblog051408.html>.

<sup>223</sup> Farrey, *supra* note 218.

<sup>224</sup> Pruitt, *supra* note 144.

<sup>225</sup> *Id.*

<sup>226</sup> *Id.*

sating student-athletes for their athletic performances would lead to a stronger work ethic. This in turn would motivate both the superstar just out of high school, and the third or fourth stringer to work harder to obtain loftier goals.<sup>227</sup> This would ultimately provide a better showcase of the student-athletes' talents and provide a greater financial contribution to their team and their university.<sup>228</sup>

With respect to the "merit" stipulation, if the NCAA were to compensate athletes based on a certain grade point averages, greater academic excellence would be encouraged.<sup>229</sup> Most NCAA member institutions reward athletes for their athletic standing and fail miserably when overseeing and evaluating h student-athlete performance in the classroom.<sup>230</sup> If the NCAA truly feels that the relationship between it and the student-athlete is predominantly an educational one, and would not want the NLRB to get involved, then it would be best at this stage to pay the student-athlete and also provide the student-athlete with incentive to work hard to perform well in academics.

### CONCLUSION

Grant-in-aid student-athletes that compete in the two revenue-generating sports, Big-Time College Football and NCAA Division I Men's Basketball are not student-athletes as the NCAA asserts, but are employees under the NLRA.<sup>231</sup> Student-athletes meet both the common law test and the statutory test applicable to university students, and they

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<sup>227</sup> *Id.*

<sup>228</sup> *Id.*

<sup>229</sup> Pruitt, *supra* note 144.

<sup>230</sup> *Id.*

<sup>231</sup> McCormick & McCormick, *supra* note 5, at 92.

should be compensated for their athletic services rendered to the university.<sup>232</sup>

The NCAA refers to these athletes as “student-athletes” which leads to significant legal implications.<sup>233</sup> The term signifies that student-athletes are amateurs who should not expect any form of reward after participating in NCAA collegiate sports. However, the reality is these students are employees under the NLRA because they meet the common law “right of control” test and the NLRA’s statutory employee standard.<sup>234</sup> From an economic standpoint, Big-Time College Football and Division I Men’s Basketball both generate millions of dollars each year.<sup>235</sup>

The NCAA provides the media with programming material for advertising and directly retains all profits, yet it insists that the persons generating the revenue are amateurs.<sup>236</sup> Moreover, the revenues generated benefit only the NCAA and its member institutions. The NCAA’s decision to repeatedly deny student-athletes payment from a legal and economic standpoint is no longer justifiable. Grant-in-aid Big-Time College Football and Division I Men’s Basketball student-athletes should not be referred to as amateurs because the NCAA has commercialized the industry and has led to the exploitation of those student-athletes for its own commercial benefit.<sup>237</sup>

“Once the innocence is lost, it can never be regained.”<sup>238</sup> It is no longer a secret that the NCAA cannot claim its affirmative defense of amateur-

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<sup>232</sup> *Id.*

<sup>233</sup> *Id.* at 86.

<sup>234</sup> *Id.*

<sup>235</sup> Fram & Frampton, *supra* note 1.

<sup>236</sup> *Id.*

<sup>237</sup> McCormick & McCormick, *supra* note 5.

<sup>238</sup> Farrey, *supra* note 218.

ism.<sup>239</sup> The NCAA should accept that these particular student-athletes are the moneymakers for its lucrative commercial enterprise, and should develop a payment method for fair compensation, above the grant-in-aid, for their services rendered and the revenue produced for their school, the NCAA, and its member institutions.

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<sup>239</sup> *Id.*



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*Article*

**Slaves to Copyright:  
Branding Human Flesh as a  
Tangible Medium of Expression**

*Arrielle Sophia Millstein\**

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\* Arrielle Sophia Millstein, a member of the New York and New Jersey Bars, and a recent Class of 2013 graduate from Widener University School of Law, is working as an intellectual property attorney in Hackensack, New Jersey. She thanks Douglas Wortmon, a truly inspiring friend, who planted the topical seed for this Article, and afforded her his ear as this legal flower started to blossom; and Professor Tonya Evans, for her superior mentorship and guidance, which nurtured the creativity that helped, make this Article a labor of unconditional love.

### ***Abstract***

This Article argues why human flesh, because of its inherent properties and its necessity for human survival, should not qualify as a tangible medium of expression under the Copyright Act of 1976. Through policy concerns and property law this Article demonstrates why the fixation requirement, necessary to obtain copyright protection of a “work,” must be flexible and eliminate human flesh as an acceptable, tangible medium of expression, to avoid the disastrous risk of the court falling into the role of “21st Century judicial slave masters.”

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## INTRODUCTION

“Though the earth and all inferior creatures, be common to all men, yet every man has a *property* in his own *person*: this no body has any right to but himself.” ~ John Locke<sup>1</sup>

The human skin is the body’s largest organ, spanning a total area of twenty-two square feet and weighing an average of eight pounds.<sup>2</sup> The skin constantly regenerates itself, shedding up to one million skin cells daily.<sup>3</sup> Human skin is miraculous; it regulates body temperature, permits sensory stimuli, and provides protection against harmful infections, dehydration, and injury.<sup>4</sup> In addition to the human flesh providing human beings with life, it is a way for many people to demonstrate individual expression,

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<sup>1</sup> JOHN LOCKE, TWO TREATISES ON GOVERNMENT 209 (London, Printed for R. Butler 1821) (1690).

<sup>2</sup> *Skin*, NAT’L GEOGRAPHIC, <http://science.nationalgeographic.com/science/health-and-human-body/human-body/skin-article.html> (last visited Jan. 31, 2014); *Skin Problems & Treatment Health Center*, WEBMD, <http://www.webmd.com/skin-problems-and-treatments/picture-of-the-skin> (last visited Jan. 31, 2014) [hereinafter *Skin Problems*].

<sup>3</sup> Ed Grabianowski, *How Many Skin Cells Do You Shed Every Day?*, DISCOVERY FIT & HEALTH, <http://health.howstuffworks.com/skin-care/information/anatomy/shed-skin-cells.htm> (last visited Feb. 2, 2014).

<sup>4</sup> See *id.*; see also *Skin Problems*, *supra* note 2.



whether that be through body art, body modifications, unique body piercings, tattoos, skin stretching, plastic surgery, or skin alternation for cultural traditions.

In 2011, Warner Brothers released the much-anticipated sequel, *The Hangover Part II*.<sup>5</sup> The film raked in big bucks at the box office and caused an uproar in the copyright community when one of the characters, Stu Price, wakes up one morning after a wild night in Bangkok, permanently sporting around his left eye a replica of Mike Tyson's infamous, tribal facial tattoo.<sup>6</sup> The scene won laughs globally; however, the tattoo artist who imprinted the tribal art on the heavyweight-boxing champion's flesh, S. Victor Whitmill, was not amused and filed a copyright infringement lawsuit against Warner Brothers on April 28, 2011.<sup>7</sup>

Warner Brothers did not know that when Whitmill tattooed the tribal piece on Tyson's face in February of 2003, Tyson signed a release form that acknowledged, "all artwork, sketches and drawings related to [his] tattoo and any photographs of [his] tattoo are property of Paradox-Studio Derma-graphics."<sup>8</sup> Warner Brothers never asked Whitmill for permission to use, reproduce, or create derivative works of Tyson's tattoo in advertising and promotion

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<sup>5</sup> THE HANGOVER PART II (Warner Brothers 2011); see Jon Reichman & Aaron Johnson, *Hangover Ink*, INTELL. PROP. MAG., July/Aug. 2011, at 28, 28, available at [http://www.kenyon.com/newspublications/publications/2011/~media/Files/Publication%20PDFs/2011\\_IPM\\_JulyAug.ashx](http://www.kenyon.com/newspublications/publications/2011/~media/Files/Publication%20PDFs/2011_IPM_JulyAug.ashx).

<sup>6</sup> Reichman & Johnson, *supra* note 6, at 28.

<sup>7</sup> *Id.*

<sup>8</sup> Verified Complaint for Injunctive and Other Relief at 3, Whitmill v. Warner Bros. Entm't, Inc., No. 4:11CV00752, 2011 WL 2038147, at \*3 (E.D. Mo. Apr. 25, 2011).

of the film.<sup>9</sup>

In addition to alleging copyright infringement, Whitmill filed a preliminary injunction in an attempt to stop Warner Brothers from releasing the film, but the presiding judge denied the injunction, acknowledging that “[Whitmill had a] strong likelihood of prevailing on the merits for copyright infringement.”<sup>10</sup> Warner Brothers and Whitmill eventually settled outside of court, preventing the Eastern District of Missouri from establishing firm legal precedent on the controversial issue of copyrighting tattoos.<sup>11</sup> As scholars and attorneys in the intellectual property field across the country weighed in on this controversy, the question of whether human flesh is copyrightable was at the core of the debate.<sup>12</sup>

The United States Constitution states, “Congress shall have the power . . . [t]o promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”<sup>13</sup> Under the 1976 Copyright Act, copyright protection is given to “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.”<sup>14</sup> Originality under the Copyright Act requires the author independently create the work using a low modicum of

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<sup>9</sup> *Id.* at \*6-7.

<sup>10</sup> Reichman & Johnson, *supra* note 6, at 28.

<sup>11</sup> *See id.*

<sup>12</sup> *See id.*; *see also* Declaration of David Nimmer at 3, Whitmill v. Warner Bros. Entm’t, Inc., No. 4:11CV00752, 2011 WL 10744102, at 2 (E.D. Mo. May 20, 2011).

<sup>13</sup> U.S. CONST. art. 1, § 8, cl. 8.

<sup>14</sup> 17 U.S.C. § 102(a) (2012).

creativity.<sup>15</sup> A work of authorship affixed to human skin would likely be copyrightable as a “pictorial, graphic, or sculptural work,” but its copyrightability hinges on the fixation requirement. This Article will argue why human flesh should not qualify as a “tangible medium of expression” under the Copyright Act of 1976.

The above copyright provisions endow the author with complete property rights to control her work for her lifespan, *plus*, seventy years after her death; only once this period has lapsed does the author lose control over her work.<sup>16</sup> This Article, through policy considerations and basic property and privacy law, specific to the personal rights in an individual’s body, will demonstrate why the fixation requirement must be flexible and categorize human flesh as an intangible medium of expression<sup>17</sup> to avoid the disastrous risk of the court falling into the

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<sup>15</sup> Aaron Perzanowski, *Tattoos & IP Norms*, 98 MINN. L. REV. 511, 525 (2013) (citing Feist Publ’n, Inc. v. Rural Tel. Serv. Co., Inc., 499 U.S. 340, 345 (1991)). Works of authorship including: “(1) literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works.” 17 U.S.C. § 102(a) (2012).

<sup>16</sup> 17 U.S.C. § 302(a) (2012); see Melissa A. Bogden, Comment, *Fixing Fixation: The RAM Copy Doctrine*, 43 ARIZ. ST. L.J. 181, 186 (2011).

<sup>17</sup> Intangible medium of expression refers to the negative of “tangible medium of expression.” A work of authorship qualifies for copyright protection when “fixed within a tangible medium of expression.” 17 U.S.C. § 101 (2012). However, a work that resides in an intangible medium of expression does not qualify for copyright protection. Throughout this Article, the meaning of intangible medium of expression remains consistent with this footnote’s explanation.

role of “21<sup>st</sup> Century judicial slave masters.”<sup>18</sup>

Part I provides a brief look at the legislative intent behind the Copyright Acts of 1909 and 1976, with particular focus on the reasons the fixation requirement is a necessity for copyright protection. Further, this Part will examine, through precedent and policy, what the legal standard for fixation is in the 21<sup>st</sup> Century, paying special attention to what constitutes a “tangible medium of expression.”

Part II will argue why the human skin does not constitute a “tangible medium of expression,” arguing that the regenerative nature of human skin disallows qualification under the standard laid out by the court for “sufficient permanence.” Additionally, this Part will discuss how through transitory duration’s functional standard, body art, plastic surgery, or a layperson’s tattoo are not reproduced for economic value, differentiating between reproductions by Warner Brothers in *The Hangover Part II* and the makeup designer for the Broadway play, *Cats*. Finally, this Part will argue that above both the requirements of permanency and transitory duration, because human skin is necessary for an individual’s survival, it is a useful article and uncopyrightable.

Part III addresses the personal rights in one’s own body, discussing an individual’s privacy and property interests set forth in the United States Con-

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<sup>18</sup> In this Article, I coin the phrase “21<sup>st</sup> Century judicial slave masters.” In terms of this Article, this phrase means that the United States judiciary will act as modern day slave master exercising behavior similar to 19<sup>th</sup> Century slave masters that existed prior to the ratification of the Thirteenth Amendment. However, courts will take on the role of “21<sup>st</sup> Century judicial slave masters” by controlling individuals through the remedial copyright laws.

stitution. Further, this Part looks at these interests' relationship to a copyright holder's property rights, ultimately concluding that an individual's personal rights in her body supersede copyright law.

Part IV will present the dangers that the legal system will face if courts consider human flesh as a viable medium of expression for copyright protection. This Part will examine the Thirteenth Amendment's prohibition on slavery, relating to the property rights endowed to an author for her copyrighted work. Utilizing various policies, this Part will show why normal copyright remedies, enforced by the courts for copyright infringement, can create disastrous consequences leading to modern day slavery. In the 21<sup>st</sup> Century, it becomes necessary, depending on an individual's status, for a person to recognize the arguments below before allowing an ink needle, surgical scalpel, henna brush, or piercing gun to touch the skin.<sup>19</sup>

## **I. MOLDING THE MEDIUM: THE HISTORY OF COPYRIGHT'S FIXATION REQUIREMENT**

Copyright protection under United States copyright law requires that an author must create an original work of authorship, and that work must be fixed in a "tangible medium of expression;" neither can survive without the other.<sup>20</sup> The Copyright Act

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<sup>19</sup> See Reichman & Johnson, *supra* note 6, at 29.

<sup>20</sup> Laura A. Heymann, *How to Write a Life: Some Thoughts on Fixation and the Copyright/Privacy Divide*, 51 WM. & MARY L. REV. 825, 830 ("Under U.S. copyright law, fixation is what creates both an author and a commodifiable subject, neither of which exists as a legal entity in copyright law before the act of fixation occurs."); see also Trotter Hardy, *Introduction to Boundaries of Intellectual Property Symposium*, 51 WM. & MARY L. REV. 825, 842 (2009).

considers a work fixed in a “tangible medium of expression” if:

[I]ts embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is “fixed” for purposes of this title if a fixation of the work is being made simultaneously with its transmission.<sup>21</sup>

This statutory language presents two reasons for the existence of the fixation requirement: (1) use of the work by others, creating a permanency to use the work in the future; and (2) the concept of author-ity, which only considers a work fixed if the author of the original work or her agent physically performs the task of fixation.<sup>22</sup>

### ***A. Fixation’s Legislative History***

The fixation concept is rooted in the printing press; evident through the Supreme Court’s holding in *White-Smith Music Publishing Co. v. Apollo Co.*, that player piano rolls did not constitute copies under the Copyright Act of 1909.<sup>23</sup> The Copyright Act required copies to be recorded in print through “intelligible notion,” because the rolls were only readable

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<sup>21</sup> 17 U.S.C. § 101 (2012).

<sup>22</sup> See Hardy, *supra* note 20, at 842; see also Perzanowski, *supra* note 15, at 526.

<sup>23</sup> *White-Smith Music Pub. Co. v. Apollo Co.*, 209 U.S. 1 (1908).

by machine.<sup>24</sup> However, prior to the Copyright Act of 1976, the Copyright Act of 1909 did not make the fixation requirement mandatory to obtain copyright protection, but instead afforded copyright protection to “all the writing[s] of an author.”<sup>25</sup> This broad language demonstrated that although the statutory language did not explicitly state the necessity of fixation, the concept still existed through the methods by which authors obtained copyright protection for their works through either: notice with the presence of the copyright symbol, displayed as ©, on the work, or providing the United States Copyright Office with a copy of the unpublished work.<sup>26</sup>

In 1964, three members of Congress presented a revision to the 1909 Copyright Act, which later became section 102(a) of the 1976 Copyright Act. The proposal discussed the concept of fixation and required original works of authorship be fixed in a “tangible medium of expression” in order to secure copyright protection. Further, the revision, in section 15, explained what constitutes a copy, differentiating between the ownership of the copyright and the material object that the work is first fixed in or embodied.<sup>27</sup> Although the 1964 revision (now the 1965 bill) laid foundation for the new requirement, it

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<sup>24</sup> Carrie Ryan Gallia, Note, *To Fix or Not to Fix: Copyright’s Fixation Requirement and the Rights of Theatrical Collaborators*, 92 MINN. L. REV. 231, 238 (2007) (quoting *White-Smith Music*, 209 U.S. at 17) (internal quotation marks omitted).

<sup>25</sup> See Hardy, *supra* note 20, at 844.

<sup>26</sup> See *id.*; see also Bogden, *supra* note 16, at 188 (discussing the 1909 Copyright Act’s lack of fixation requirement because copyright protection only extended to specified categories of works listed in the Act: maps, charts, and books).

<sup>27</sup> Hardy, *supra* note 20, at 846 (noting that section 15 later became section 202 of the Copyright Act of 1976).

still lacked a concrete definition for “fixation.” It was not until 1966, after broadcasters and commentators spoke out about whether computer software qualified as fixed, did the Judiciary Committee add what is today’s current definition of fixation to the 1965 bill.<sup>28</sup> Today’s broad fixation definition “was intended to ‘avoid the artificial and largely unjustifiable distinctions . . . under which statutory copyrightability in certain cases has been made to depend upon the form or medium in which the work is fixed.’”<sup>29</sup>

### ***B. The Fixation Requirement in the 21<sup>st</sup> Century***

Scholars agree that fixation’s purpose is to limit the privileges of copyright protection to works in tangible form; intangible works qualify for zero protection.<sup>30</sup> The fixation requirement holds the capability of removing an author’s work from being a mere, unprotectable idea and labels it as one of the many “bundle of sticks” rights a person owns in property.<sup>31</sup>

Fixation, in most cases, is easy to meet, which explains why there is rarely any controversy surrounding the requirement.<sup>32</sup> In a majority of cases, courts acknowledge the fixation requirement, state that it is met, and move on; cases that challenge fixation usually do so based on the case’s particular

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<sup>28</sup> *Id.* at 847.

<sup>29</sup> *Id.* at 848.

<sup>30</sup> See Reichman & Johnson, *supra* note 6, at 28; see also Declaration of David Nimmer, *supra* note 12, at 9.

<sup>31</sup> See Joshua C. Liederman, Note & Comment: *Changing the Channel: The Copyright Fixation Debate*, 36 RUTGERS COMPUTER & TECH L.J. 289, 312-13 (2010) (“In essence, fixation acts as the ‘trigger’ for copyright protection, removing the work from a mere idea and creates a property that is eligible for copyright protection.”).

<sup>32</sup> Hardy, *supra* note 20, at 849.



facts.<sup>33</sup> However, depending on the subject matter, the fixation requirement can be murky; therefore, fixation can be separated into three elements: (1) the embodiment requirement, in which the work *must* be embodied in a material object; (2) the permanency requirement, mandating that the work is sufficiently stable or permanent to permit perception;<sup>34</sup> and (3) the durational requirement, where the work “*must* remain thus embodied ‘for a period of more than transitory duration.’”<sup>35</sup> Case law provides that problems with fixation arise in both the permanency and durational requirements, leading courts, mostly in the computer technology arena, to further define these two requirements.<sup>36</sup>

### 1. Permanency

The 1976 Copyright Act never required that a copy have “absolute permanence” to be fixed.<sup>37</sup> Permanency only requires – sufficient – not absolute permanence, to satisfy fixation’s meaning under section 102.<sup>38</sup> Courts apply permanency in a functional standard, classifying a reproduction as fixed by depending on “whether action can be performed to or with the reproduction and not arbitrarily on its degree of permanency.”<sup>39</sup>

The Ninth Circuit in *MAI Systems Corp. v.*

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<sup>33</sup> See *id.* at 850.

<sup>34</sup> See Bogden, *supra* note 16, at 188; see also MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 8.02[B][2] (2012) (stating that the embodiment and permanency requirement are two separate concepts).

<sup>35</sup> Hardy, *supra* note 20, at 851 (citing Cartoon Network LP v. CSC Holdings, Inc., 536 F.3d 121, 127 (2d Cir. 2008)).

<sup>36</sup> See Liederman, *supra* note 31, at 298.

<sup>37</sup> *Id.* at 300.

<sup>38</sup> *Id.* at 298-99.

<sup>39</sup> *Id.* at 299.

*Peak Computer Inc.* (“MAI”),<sup>40</sup> is to credit for establishing this framework; however, it is a standard used when dealing specifically with Random Access Memory (“RAM”) in a computer. In *MAI*, the Court’s task was to determine whether the unauthorized reproduction of a computer’s temporary memory constituted copyright infringement. The Court held that copies of RAM are fixed because such memory is held long enough for a computer company service to make a diagnosis of the problem with the computer.<sup>41</sup> The Ninth Circuit went further, stating that loading software into a computer creates a RAM copy, allowing the RAM copy to be “perceived, reproduced, or otherwise communicated.”<sup>42</sup>

## 2. Transitory Duration

Like, permanency, a majority of transitory duration’s framework was established through computer technology case law. The Copyright Act, although it mentions that fixation requires a “more than transitory duration,” has no concrete period of time that specifies how long the reproduction must be stored or held in the material object.<sup>43</sup> Courts use a functional approach to analyze transitory duration, focusing on “what should be done with the reproduction” as opposed to the reproduction’s temporariness. This temporal requirement must be applied and inter-

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<sup>40</sup> *MAI Sys. Corp. v. Peak Computer Inc.*, 991 F.2d 511 (9th Cir. 1993). Since the *MAI Systems Corp. v. Peak Computer Inc.* decision, courts across the country have treated the Ninth Circuit’s precedent as controlling authority. See Liederman, *supra* note 31, at 290 n.11.

<sup>41</sup> Liederman, *supra* note 31, at 298.

<sup>42</sup> *Id.* at 299.

<sup>43</sup> *Id.* at 304 (further stating that this was the consensus of the Ninth Circuit in *MAI Systems Corp. v. Peak Computer Inc.*).

preted in the context of the situation.<sup>44</sup>

In 1998, when the Digital Millennium Copyright Act (“DMCA”) was passed, the United States Copyright Office clarified the meaning of transitory duration, reiterating language of the requirement in the 1976 Copyright Act that a copy does not need to last for any specified amount of time.<sup>45</sup> In the DMCA, the United States Copyright Office extended the functional standard for determining transitory duration to encompass the reproductions economic value. “[T]he economic value derived from a reproduction lies in the ability to copy, perceive or communicate it.”<sup>46</sup> Even though the courts established a workable, prevailing view for transitory duration,<sup>47</sup> there is still apprehension on implementing a temporal threshold, laying out how temporary *is* temporary – days, hours, minutes, seconds, or nanoseconds?<sup>48</sup> Transitory duration in the 21<sup>st</sup> Century makes it fundamental to challenge the liberal bounds of this requirement based on a case’s specific factual background.

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<sup>44</sup> *Id.* at 302. In the late 1990s, courts were at a consensus that a copy could be for “the briefest of existence” in a computer’s RAM and still support a finding of infringement. *Id.* at 303 (citing *Tiffany Design, Inc. v. Reno-Taho Specialty, Inc.*, 55 F. Supp. 2d 1113, 1121 (D. Nev. 1999)).

<sup>45</sup> *Id.* at 303-04.

<sup>46</sup> *See id.* at 304 (stating that by a person making a copy of a product, even if temporary, it clearly demonstrates the realization that the product has economic value).

<sup>47</sup> The Fourth Circuit established the minority test for transitory duration that considers the function/use of the copy requiring both, (1) “[a] qualitative aspect ‘describ[ing] the status of the transition,’” and (2) “[a] quantitative aspect ‘describ[ing] the period during which the function occurs.’” Liederman, *supra* note 31, at 306.

<sup>48</sup> *See id.* at 305.

## II. DOES HUMAN FLESH QUALIFY AS FIXED IN A TANGIBLE MEDIUM OF EXPRESSION?

David Nimmer, a leading scholar on Copyright, states that “live bodies do not qualify as a ‘medium of expression’ sufficient to ground copyright protection.”<sup>49</sup> Professionals in the tattoo industry agree with Nimmer’s logic, believing that “[t]he image [in the skin] is just what happens to be left after you spend a moment in time with a particular person. It’s an intangible object.”<sup>50</sup> This Part will argue why, based on three legal reasons, the human skin is an intangible medium of expression and not copy-rightable.<sup>51</sup> The first two arguments will focus on two requirements necessary for an author’s work to be fixed within a “tangible medium of expression:” permanency and transitory duration. The third argument recognizes that although the human flesh may not fit perfectly into the intangible medium of expression category, the skin’s useful and functional nature, further supports why the skin is uncopy-rightable.

### A. *Permanency*

Permanency requires sufficient, not absolute, permanence to provide copyright protection to a work

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<sup>49</sup> Declaration of David Nimmer, *supra* note 12, at 5; William T. McGrath, *Copyright Concerns Come with ‘Hangover’*, CHICAGO DAILY L. BULL. (June 17, 2011), <http://www.chicagolawbulletin.com/Law-Day/2012/04/28/LD-mcgrathforum-2012.aspx>.

<sup>50</sup> See Perzanowski, *supra* note 15, at 588 (internal quotations omitted).

<sup>51</sup> Congress did not intend for the human flesh to serve as a canvas that would embody legally protected authorship. Declaration of David Nimmer, *supra* note 12, at 10.

of authorship.<sup>52</sup> The human body lacks copyright protection in a variety of areas – hair, nails, and cuticles – because of its constant evolution and growth.<sup>53</sup> In this Section, I will argue why the human skin does not meet the standard of sufficient permanence because of the skin’s regenerative nature, making it an inadequate medium of expression.

Many scholars in intellectual property believe that the human skin automatically meets the permanency requirement, deeming the skin a “tangible medium of expression,”<sup>54</sup> but if one examines the anatomy of the flesh, immediate questions of doubt arise concerning the skin’s true permanent nature.

The human skin constantly changes with age, sun exposure, inhalation of toxins, and shedding of dead skin cells on a daily basis.<sup>55</sup> The entire human body consists of 10 trillion cells, with 1.6 trillion of those cells belonging to the human skin.<sup>56</sup> On an hourly basis, humans shed 30,000 to 40,000 skin cells, and in a twenty-four hour period, the flesh sheds almost one million skin cells.<sup>57</sup> Such rapid,

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<sup>52</sup> See Liederman, *supra* note 31, at 298-99. The dictionary defines sufficient as “adequate for the purpose” or “enough to meet a need or purpose.” *Sufficient*, DICTIONARY.COM, <http://dictionary.reference.com/browse/sufficient?s=t> (last visited Feb. 1, 2014).

<sup>53</sup> Michael M. Ratoza, *More of The Hangover*, U.S. IP L. (May 30, 2011, 9:46 AM), <http://www.us-ip-law.com/2011/05/more-of-hangover.html>.

<sup>54</sup> See Reichman & Johnson, *supra* note 6, at 28; Perzanowski, *supra* note 15, at 525; Dave Fagundes, *Can You Copyright a Nose Job?*, PRAWFS BLAWG (May 28, 2011), <http://prawfsblawg.blogs.com/prawfsblawg/2011/05/can-you-copyright-a-nose-job.html>.

<sup>55</sup> See *Skin*, *supra* note 2.

<sup>56</sup> Grabianowski, *supra* note 3.

<sup>57</sup> *Id.* Human skin’s shedding process affects tattoos daily because it causes bright and colorful works to fade over time.

consistent, and extensive loss of skin cells cannot logically categorize the skin as sufficiently permanent, as it constantly evolves, leaving its past remnants scattered in the dust, literally.

Another area of the body<sup>58</sup> that unlike the flesh is notably uncopyrightable because it lacks permanency due to its constant growth is hair. The human head holds between 90,000 and 140,000 hair follicles.<sup>59</sup> These follicles grow 0.44 millimeters per day, amounting to about one half of an inch each month, and only six inches per year.<sup>60</sup> Depending on the pigment of a hair follicle, an individual will shed between 30 to 50 single strands of hair per day,<sup>61</sup> a far lower amount than the skin, shedding almost one million cells per day. Although the hair's growth rate is slow, hair stylists cannot claim copyright protection for specific couture hair designs or fashionable new haircuts because the of hair follicle's constant growth and lack of permanence.<sup>62</sup> With the hair's slow growth and minimal shedding process, it is hard to imagine why the hair is not sufficiently permanent enough to qualify as a "tangible medium of expression," but the human skin's extensive shedding and adaptation to the environment, which is far greater than the hair's growth, still allows skin to qualify as sufficiently permanent for body art or tat-

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<sup>58</sup> Human nails do not meet sufficient permanency because of the nails rapid growth, functional nature, and upkeep of the fingers cuticles. *See id.*; Ratoza, *supra* note 53.

<sup>59</sup> *How Quickly Does Hair Grow?*, TLC (Apr. 1, 2000), <http://tlc.howstuffworks.com/style/question251.htm> (last visited Feb. 2, , 2014).

<sup>60</sup> *Id.*

<sup>61</sup> Cinya Burton, *Does Your Hair Shed Too Much?*, BEAUTYLISH (Dec. 2, 2011), <http://www.beautylish.com/a/vcvrn/hair-shedding>.

<sup>62</sup> Ratoza, *supra* note 53.

toos.

### ***B. Transitory Duration***

Transitory duration has no bright line standard specifying the exact amount of time that a “pictorial, graphic, or sculptural work” must reside in a material object to satisfy the fixation requirement.<sup>63</sup> Instead, courts look to the economic value held in a reproduction.<sup>64</sup> A layperson’s human skin, painted with tattoo ink or restructured to boost one’s self-esteem, clearly does not hold any economic value once the individual walks out of the author’s office. In this Section, I will argue that human skin does not hold economic value under the functionality standard because many individuals do not alter their skin for any purpose other than to please themselves.

Warner Brothers reproduced Mike Tyson’s facial tattoo in advertisement posters for *The Hangover Part II* in an effort to promote<sup>65</sup> the movie’s comedic value and get moviegoers to pay their eight dollars<sup>66</sup> to see the flick on the silver screen. Warner Brothers’ incentive to reproduce Tyson’s facial tattoo on the movie’s character, Stu Price’s face was undoubtedly to generate revenue to boost the film’s economic success at the box office, which it did, allowing the film to gross \$138 million in the United States

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<sup>63</sup> Liederman, *supra* note 31, at 304.

<sup>64</sup> *See id.*

<sup>65</sup> *See* Verified Complaint for Injunctive and Other Relief, *supra* note 8, at 5, 7.

<sup>66</sup> *Average Movie-Ticket Price Edges Up to a Record \$7.93 for 2011*, L.A. Times Blog (Feb. 9, 2012), <http://latimesblogs.latimes.com/entertainmentnewsbuzz/2012/02/average-movie-ticket-price-2011.html>. An average movie ticket cost \$8.00 in 2011 when *The Hangover Part II* was released. Today, in 2014, movie tickets across the United States probably range from \$8.00 to \$20.00.

alone.<sup>67</sup> Warner Brothers' reproduction of Tyson's tattoo to achieve economic heights does not compare to the reasons a layperson gets a tattoo. Individuals do not walk into a tattoo parlor to get "inked" in an effort to economically exploit the tattoo artist's work, but rather to get a piece of artwork on their skin that either represents a lost loved one, signifies a military brotherhood, embraces one's faith or culture, symbolizes a life-changing event, or just for the love of art; the list goes on.<sup>68</sup> The personal reasons an individual decides to get "inked" and the very nature of a tattoo do not logically demonstrate that reproduction of the product, in this case the tattoo, was for economic value.<sup>69</sup>

In *Carell v. Shubery Organizations*,<sup>70</sup> the United States District Court for the Southern District of New York awarded copyright protection for the makeup designs of the Broadway sensation, *Cats*, to the play's makeup artist, Candace Anne Carell. The court granted copyright protection because Carell's makeup designs were fixed to the faces of the *Cats* actors.<sup>71</sup> However, the constant reproduction of

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<sup>67</sup> Nikki Finke, *Biggest Memorial Weekend B.O. Ever!*, DEADLINE HOLLYWOOD (May 30, 2011), <http://www.deadline.com/2011/05/hangover-part-2-opens-with-9m-10m-thursday-midnight-screenings-on-its-way-to-125m/>.

<sup>68</sup> Michael R. Mantell, *The Psychology of Tattoos: You Think It, They'll Ink It: Why People Get Tattoos*, SAN DIEGO MAG. (Aug. 2009), <http://www.sandiegomagazine.com/San-Diego-Magazine/August-2009/The-Psychology-of-Tattoos/>; *Why Do People Get Tattoos?*, TATTOOED ENGINEER (May 26, 2011), <http://www.thetattooedengineer.com/2011/05/26/why-do-people-get-tattoos/>.

<sup>69</sup> See Liederman, *supra* note 31, at 304.

<sup>70</sup> *Carell v. Shubert Org., Inc.*, 104 F. Supp. 2d 236 (S.D.N.Y. 2000).

<sup>71</sup> *Id.* at 247. *Infra* Part IV.B.2.



Carell's makeup designs in *Cats* held pure economic value; had the actors not donned the makeup designs that transformed each of them into human cats, the show would not have grossed a record \$380 million in sales.<sup>72</sup> Although the economic value resides in the transformative makeup designs for this theatrical Broadway play, performed on one of the most famous stages in the country, an individual does not apply makeup on a daily basis or opt to get plastic surgery for its economic value. Individuals want, and get, plastic surgery to increase their self-esteem, improve unwanted imperfections, or make them happier in their lives.<sup>73</sup> If transitory duration's functional standard dictates that the reproduction of a "pictorial, graphic, or sculptural work" must hold economic value to pass the fixation requirement, then a layperson's reasoning, stated above, for surgically altering or decorating his or her skin does not qualify for copyright protection under transitory duration, further deeming the human flesh as an intangible medium of expression.

### ***C. Functionality of the Human Flesh***

In the 21<sup>st</sup> Century, individuals around the world utilize and transform their skin for cultural traditions or plain aesthetics, through body art, unique body piercings, tattoos, skin stretching, body modifications, and plastic surgery. However, human skin does not only serve as a surface for creative dec-

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<sup>72</sup> Jessee McKinley, 'Cats,' *Broadway's Longevity Champ*, to *Close*, N.Y. TIMES, Feb. 20, 2000, <http://www.nytimes.com/2000/02/20/us/cats-broadway-s-longevity-champ-to-close.html>.

<sup>73</sup> Daniel J. DeNoon, *Who Gets Plastic Surgery and Why*, WEBMD (Aug. 20, 2005), <http://www.webmd.com/healthy-beauty/news/20050830/who-gets-plastic-surgery-why>.

oration and sculptural purpose, but also serves as a useful article having more purpose than just as a material object meant to hold an author's work.<sup>74</sup>

The Copyright Act defines a useful article as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information,”<sup>75</sup> meaning that when a material object has at least one other purpose than as a surface for an author's original work, it constitutes a useful article.<sup>76</sup>

In the recent *The Hangover Part II* case, David Nimmer gave a deposition for Warner Brothers.<sup>77</sup> He discussed a “spectrum of non-expressive utility” that helps determine the level of usefulness a material object can hold, in relation to the human head, which functionally is comparable to human flesh.<sup>78</sup> The spectrum's first level provides an example of a surface holding the least amount of functionality – a painting – which holds no purpose other than to depict the painting.<sup>79</sup> The second level is a material substrate that does have functionality, along with aesthetic purpose – the belt buckle.<sup>80</sup> At the spectrum's final level resides Mike Tyson's head, providing minor aesthetic purposes due to Tyson's celebrity status, that are clearly outweighed by the immensely important functions that the head holds because it harbors the brain.<sup>81</sup>

Human skin falls on Nimmer's final level of

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<sup>74</sup> See Declaration of David Nimmer, *supra* note 12, at 10.

<sup>75</sup> 17 U.S.C. § 101 (2012).

<sup>76</sup> Declaration of David Nimmer, *supra* note 12, at 8.

<sup>77</sup> See *id.*

<sup>78</sup> *Id.* at 10.

<sup>79</sup> *Id.* at 9.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

the “spectrum of non-expressive utility,” having minimal aesthetic purposes, paling in comparison to the skin’s functions.<sup>82</sup> The human skin consists of layers of cells, glands, and nerves, functioning as our connection to the world and an outer layer of protection against the atmosphere’s elements and microbes.<sup>83</sup> The skin has six primary functions that logically demonstrate why flesh falls on the final level of Nimmer’s spectrum: (1) heat regulation, fluctuating the temperature of the body depending on the environment it’s in; (2) absorption, that limits the amount of foreign substances that enter the body; (3) secretion by the sebaceous glands, which produces oil that helps maintain the skin’s health; (4) protection provided by fat cells that keep an individual’s internal organs safe from trauma and acts as a barrier, preventing against invasion by harmful bacteria; (5) excretion of waste materials through perspiration; and (6) sensation that allows, through nerve endings, for individuals to experience atmospheric temperature, touch, pain, and pleasure.<sup>84</sup>

The human skin serves as much more than just a useful article; without the skin and its various functions the human body would literally evaporate.<sup>85</sup> The amount of life preserving functions that the human skin produces clearly indicates that Congress lacked any intention of labeling human flesh as an article; therefore, demonstrating why aside from

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<sup>82</sup> *Id.* at 10.

<sup>83</sup> See *Skin Problems*, *supra* note 2; see also *Skin*, *supra* note 2.

<sup>84</sup> *The Functions of Human Skin*, PCA SKIN, [http://www2.pcaskin.com/functions\\_of\\_human\\_skin.aspx](http://www2.pcaskin.com/functions_of_human_skin.aspx) (last visited Feb. 1, 2014).

<sup>85</sup> See Declaration of David Nimmer, *supra* note 12, at 9; see also *Skin*, *supra* note 2.

the “tangible medium of expression,” the skin is not copyrightable.<sup>86</sup>

### III. LEGAL CONFIDENCE IN ONE’S SKIN: INDIVIDUAL RIGHTS IN THE HUMAN BODY

After the ratification of the Thirteenth Amendment, which abolished slavery on December 6, 1865,<sup>87</sup> the days that human beings were the property of others ended, or so we think. Today, although the definitional term of slavery<sup>88</sup> does not currently exist in this country, there is confusion surrounding

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<sup>86</sup> See Declaration of David Nimmer, *supra* note 12, at 10. Nimmer explains further that it is necessary to look outside the “tangible medium of expression” when looking to see if the copyrighted work is afforded copyright protection. Copyright protection for “pictorial, graphic, or sculptural [works] that can be identified *separately* from, and are capable of existing independently of, the utilitarian aspects of the article.” *Id.* at 11. Nimmer’s theory of separability is that the copyright protection is only afforded to works that are “physically separable” from the medium. Nimmer demonstrates this concept with the tattoo on Mike Tyson’s face, reasoning that the tribal tattoo is not “physically separable” from the heavyweight champion’s face because the tattoo became part of his body. The only copy of the tribal tattoo resides around Tyson’s left eye, imprinted in his face; Whitmill never drew the tattoo on paper, but rather drew the tattoo directly on Tyson’s face. *Id.* at 8, 11.

<sup>87</sup> *Primary Documents in American History: 13th Amendment of the Constitution*, LIBR. OF CONG., <http://www.loc.gov/rr/program/bib/ourdocs/13thamendment.html> (last visited Feb. 1, 2014).

<sup>88</sup> Slavery is defined as “a civil relationship whereby one person has absolute power over another and controls his life, liberty, and fortune.” *Slavery*, DICTIONARY.COM, <http://dictionary.reference.com/browse/slavery?s=ts> (last visited Feb. 1, 2014).

the law of the body.<sup>89</sup> The uncertainty of the laws categorizes the human body as either property, quasi-property, or merely a subject of constitutional privacy rights.<sup>90</sup> However, both property and privacy rights – in the context of the human body – protect two of the same interests: “the right to possess one’s own body and the right to exclude others from it.”<sup>91</sup> Although these interests are similar, the main difference resides in the transferability of rights to others, which draws a thin line between an individual selling her body to a third party and self-ownership. This presents a problem, not only during life, but after death as well, specifically when dividing rights between close family and the interests of strangers that hold copyright interest in another’s skin.<sup>92</sup>

This Part will discuss these two similar privacy and property interests in the human body, and their relationship to a copyright holder’s property rights, demonstrating why many scholars suggest that an individual’s personal rights in her own body supersede copyright law.<sup>93</sup>

### ***A. Classifying the Body as Property***

Traditionally, property rights consist of a “bundle of rights” (also conceptualized as a “bundle of sticks”) owned by the person relative to the particu-

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<sup>89</sup> See Radhika Rao, *Property, Privacy, and the Human Body*, 80 B.U. L. REV. 359, 363 (2000).

<sup>90</sup> *Id.* at 363.

<sup>91</sup> *Id.* at 366-67.

<sup>92</sup> *Id.* at 369.

<sup>93</sup> Reichman & Johnson, *supra* note 6, at 28 (stating that this logic applies to tattoos and plastic surgery).

lar object.<sup>94</sup> These rights include:

the right to possess one's property, the right to use it, the right to exclude others, the right to transfer ownership by gift or by sale, the right to dispose of one's property after death, and the right not to have one's property expropriated by the government without payment or compensation.<sup>95</sup>

The United States Supreme Court consistently holds that the most essential "stick" in the "bundle of rights" is an individual's right to exclude others.<sup>96</sup> Further, "property rights are body rights that protect the choice to transfer."<sup>97</sup> Its importance is relevant when discussing copyright protection in relation to an individual's property rights in her own body.<sup>98</sup> Traditionally, property law does not recognize the human body as concrete property; therefore looking at the Framers' intent behind the Fourth and Fifth Amendments of the Constitution, coupled with the philosophical opinion by John Locke, will help establish a framework for establishing an individual's rights in her body.<sup>99</sup>

The Framers of the United States Constitution

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<sup>94</sup> Rao, *supra* note 89, at 389. Each "right" or "stick" in the bundle represents a particular property right held by an individual.

<sup>95</sup> *Id.* at 370.

<sup>96</sup> *Id.* at 424.

<sup>97</sup> *Id.* at 367 n.16.

<sup>98</sup> *See id.* at 367.

<sup>99</sup> Paul Filon, *Who Owns You? Property Right in the Human Body*, SPRIEGEL & ASSOC. (Feb. 15, 2010), <http://gotopatentlawfirm.com/2010/02/15/who-owns-you-property-rights-in-the-human-body/>.

never intended property's "bundle of rights" to include property rights or interests in the human body.<sup>100</sup> This intention is prevalent in the language of the Fourth<sup>101</sup> and Fifth Amendments,<sup>102</sup> which indicate people are improper mediums in which to hold any property interests.<sup>103</sup> Compared to the Framers' intent, a copyright holder's proprietary control over his or her work, constitutionally, could not extend to works in human flesh because individuals are protected by privacy *not* property interests in their body.<sup>104</sup>

One of the great philosophers, John Locke,<sup>105</sup> expands on the Framers' intent that an individual cannot hold property interest in another's body, with one of the first influential theories on the subject matter. Locke's theory explicitly states that the human body is a form of property controlled by its owner, endowing that individual with *all* ownership of property rights that reside in human skin.<sup>106</sup> His be-

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<sup>100</sup> Michelle Bourianoff Bray, Note, *Personalizing Personality: Toward a Property Right in Human Bodies*, 69 TEX. L. REV. 209, 220 (1990).

<sup>101</sup> *Infra* Part III.B.

<sup>102</sup> U.S. CONST. amend. V ("No person shall be . . . deprived of life, liberty, or property.").

<sup>103</sup> Bray, *supra* note 100, at 220-21 (people and property are two distinct categories).

<sup>104</sup> *Id.* at 221.

<sup>105</sup> John Locke is known for being one of the greatest European philosophers in the 17<sup>th</sup> Century. Locke graduated from University of Oxford in the United Kingdom, England and was a prestigious medical researcher. His most famous and widely recognized work is *The Second Treatise of Government*, published in *Two Treatises of Government*. William Uzgalis, *John Locke*, STANFORD ENCYCLOPEDIA OF PHILOSOPHY (Edward N. Zalta, ed. 2012), available at <http://plato.stanford.edu/archives/fall2012/entries/locke/>.

<sup>106</sup> Rao, *supra* note 89, at 367.

lief is that an individual “literally owns one’s [own] limbs.”<sup>107</sup> His widely recognized theory, coupled with the Framers’ intent, solidifies that the only individual capable, under the law, of owning property rights in the human body is the person whom possesses its physical being. Furthermore, the United States government codified this argument by passing the Thirteenth Amendment, which prohibits individuals from owning another individual as property.<sup>108</sup>

With all the above evidence, an author’s property rights in a work are seemingly protected by copyright law, specifically when an author creates a “pictorial, graphic, or sculptural work” using the human skin as her canvas. Logically, this right cannot trump the fundamental rights of the Constitution that allows individuals to exclude others from holding a proprietary interest in the body.

### ***B. Classifying the Body as a Privacy Interest***

Like property rights, privacy rights encompass a “cluster of personal interests.”<sup>109</sup> However, the United States Constitution protects an individual’s privacy rights, rather than the basic rules of property under the Fourth Amendment,<sup>110</sup> which states that American citizens have the right “to be secure in their persons, houses, papers, and effects.”<sup>111</sup> Privacy consists of two fundamental rights: (1) personal privacy, also known as bodily integrity, and (2) relation-

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<sup>107</sup> *Id.* at 367 n.19 (quoting Margaret Jane Radin, *Property and Personhood*, 34 STAN. L. REV. 957, 965 (1982)) (internal quotations omitted).

<sup>108</sup> U.S. CONST. amend. XIII § 1. *Infra* Part IV.

<sup>109</sup> Rao, *supra* note 89, at 389.

<sup>110</sup> *Id.* at 387.

<sup>111</sup> U.S. CONST. amend. IV; *see* Bray, *supra* note 100, at 220.



ship privacy.<sup>112</sup> This Section will focus on the first principal, the personal right to privacy that provides an individual the right to restrict third parties from intruding or physically altering the individual's human body.<sup>113</sup>

"[P]rivacy envisions the body as an integral Part of the person"<sup>114</sup> entitling the human body to protection because it is a physical embodiment of the person.<sup>115</sup> Professor Daniel Ortiz,<sup>116</sup> explains that constitutional privacy rights establish "a sphere of individual dominion," disallowing interference of others without consent and creating a "dominion over oneself. It defines a sphere of self-control, a sphere of decision-making authority about oneself, from which one can presumptively exclude others."<sup>117</sup>

Such complete control over one's body collides head on with permitting human skin to stand as a "tangible medium of expression."<sup>118</sup> The collision of rights presents itself if a court orders an injunction<sup>119</sup> forcing an individual sporting a copyright holder's body art, tattoo, or piercing, to – or not to – remove

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<sup>112</sup> Rao, *supra* note 89, at 388.

<sup>113</sup> *Id.* at 389.

<sup>114</sup> *Id.* at 444.

<sup>115</sup> *Id.* at 445.

<sup>116</sup> Professor Daniel Ortiz received his Juris Doctor from Yale Law School in 1983. He currently teaches constitutional law and legal theory at Virginia Law School. *Daniel R. Ortiz*, U. VA. SCHOOL OF L., <http://www.law.virginia.edu/lawweb/Faculty.nsf/FHPbI/1196477> (last visited Feb. 1, 2014).

<sup>117</sup> Rao, *supra* note 89, at 428.

<sup>118</sup> See Thomas F. Cotter & Angela M. Mirabole, *Written on the Body: Intellectual Property Rights in Tattoos, Makeup, and Other Body Art*, 10 UCLA ENT. L. REV. 97, 121-22 (2003).

<sup>119</sup> *Infra* Part IV.A.

the author's work.<sup>120</sup> Copyright owners hold moral rights under the Visual Artists Rights Act ("VARA"), which protects the integrity of their work from destruction, alterations, and distortions.<sup>121</sup> However, any injunction favoring the copyright holder in respect to another's bodily integrity would create a "substantial bodily intrusion" under the Fourth Amendment.<sup>122</sup>

Supreme Court precedent demonstrates why such a standard is applicable in *Winston v. Lee*.<sup>123</sup> The court ruled that ordering a bullet lodged in the defendant's chest be surgically removed from his body, for evidentiary purposes, despite the accused's objections, constituted an "extensive intrusion" on the defendant's fundamental interests of personal privacy and bodily integrity interests.<sup>124</sup> The Supreme Court's holding brings to light the lack of differences between an injunction ordering surgical removal of a tattoo through laser surgery and one ordering the surgical removal of a bullet from a person's body. To allow a copyright holder to obtain a remedy ordering surgical removals of this nature not only gives the copyright holder a right to control another person by invading on their privacy rights, it also provides the author with more rights than those laid out in the 1976 Copyright Act.<sup>125</sup> Therefore, a copyright holder's property rights in a work imprinted on another's skin should never supersede an individual's fundamental privacy rights to resist third

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<sup>120</sup> Cotter & Mirabole, *supra* note 118, at 121.

<sup>121</sup> 17 U.S.C. § 106A (2012).

<sup>122</sup> Cotter & Mirabole, *supra* note 118, at 123.

<sup>123</sup> *Winston v. Lee*, 470 U.S. 753 (1985); Rao, *supra* note 89, at 396.

<sup>124</sup> *Lee*, 470 U.S. at 753; Rao, *supra* note 89, at 396.

<sup>125</sup> See Cotter & Mirabole, *supra* note 118, at 121.

party invasions or physical alterations of their body.

#### IV. MODERN SLAVERY THROUGH THE 1976 COPYRIGHT ACT

The Thirteenth Amendment of the United States Constitution states, “[n]either slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.”<sup>126</sup>

Copyright is a constant balancing act; its largest challenge centers around the author’s right to control her property versus the amount of access that is in the public’s interest.<sup>127</sup> The balance of these interests presents a huge problem under the Thirteenth Amendment, particularly when enforcing the control an author holds over their work in another’s skin under section 106,<sup>128</sup> and the court’s ability to issue injunctive relief for infringements of an author’s work under section 106A,<sup>129</sup> also known as VARA.<sup>130</sup> The consequences of enforcing these rights would defy the Thirteenth Amendment’s prohibition of servitude, rehashing slavery and putting courts in the position of “21<sup>st</sup> Century judicial slave masters.”<sup>131</sup> The Section below will examine the disastrous effect, while showing why Congress should relax the fixation requirement.

##### *A. Virtual Slave Masters*

Today, unlike 200 years ago, the human race

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<sup>126</sup> U.S. CONST. amend. XIII, § 1.

<sup>127</sup> Bogden, *supra* note 16, at 187.

<sup>128</sup> 17 U.S.C. § 106 (2012). *Infra* Part IV.A.

<sup>129</sup> 17 U.S.C. § 106A (2012). *Infra* Part IV.B.

<sup>130</sup> See *supra* note 122 and accompanying text.

<sup>131</sup> Declaration of David Nimmer, *supra* note 12, at 4, 11.

believes slavery to be repugnant and even difficult to fathom how human beings were once considered property of another individual.<sup>132</sup> Although the public has current distaste for the slavery that occurred 200 years ago, the possibility of modern day slave masters, today, is very real in the intellectual property arena. Modern intellectual property apologists say that, “the work themselves are not property, but the right to use them are.”<sup>133</sup> This quote, in short, exemplifies the dangers of allowing copyright’s fixation requirement to label human skin as a valid “tangible medium of expression.” Such dangers lie within the exclusive rights granted to an author after the fixation requirement is satisfied, which allows the copyright holder to control the uses of her work.<sup>134</sup> As noted, hereinabove, section 106 grants the copyright owner exclusive rights: (1) to reproduce the copyrighted work; (2) to prepare derivative works (known as adaptation rights); (3) to publish the copyrighted work by distribution; (4) to perform the copyrighted work; (5) to publicly display the copyrighted work; and (6) to perform the copyrighted work publicly through digital audio transmission.<sup>135</sup> These rights give the creator complete control of over what is done with their work.

Copyright protection affords a copyright holder property rights in that particular work. If the author owns a work it gives that owner the right to control that property to the extent of the exclusive rights

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<sup>132</sup> Nina Paley, *Redefining Property: Lessons from American History*, QUESTIONCOPYRIGHT.ORG (2009), [http://questioncopyright.org/redefining\\_property](http://questioncopyright.org/redefining_property) (last visited Nov. 3, 2012).

<sup>133</sup> *Id.*

<sup>134</sup> See Hardy, *supra* note 20, at 859.

<sup>135</sup> 17 U.S.C. § 106 (2012).

granted in section 106.<sup>136</sup> However, I believe that if the author's work resides in another individual's human skin, it could permit the copyright holder to control the daily activities of any human being that bears an author's intellectual property. The lack of boundaries set forth in the Copyright Act could result in authors ordering individuals to refrain from appearing on television or stopping people from getting their pictures taken,<sup>137</sup> bringing into play the potential for plastic surgeons, professional piercers, or tattoo artists to become modern day slave masters, dictating the literal moves that an individual can make on a daily basis.

*The Hangover Part II* case presented a close example of this dilemma because Tyson, prior to getting his facial tattoo, signed a general tattoo release agreement with his tattoo artist, Whitmill. The release agreement stated, "I [Mike Tyson,] understand that all artwork, sketches, and drawings related to my tattoo and any photographs of my tattoo are property of Paradox-Studio of Dermagraphics."<sup>138</sup> This release limits Tyson's ability to display his face in public;<sup>139</sup> and based on this language, Whitmill holds property rights in any photographs taken of Tyson's face. Although minimal, this language still

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<sup>136</sup> See Hardy, *supra* note 20, at 858.

<sup>137</sup> See *Can You Copyright the Human Body?: Transcript*, ON THE MEDIA (June 3, 2011), <http://www.onthemedialaw.org/2011/jun/03/can-you-copyright-human-body/transcript/>.

<sup>138</sup> Verified Complaint for Injunctive and Other Relief, *supra* note 8, at Exhibit 3 (Tattoo Release Form). Whitmill ultimately sued only Warner Brothers for violating his exclusive rights through using, reproducing, creating a derivative work, and putting the tribal tattoo on public display in its advertising. *Id.* at 6-7.

<sup>139</sup> See Perzanowski, *supra* note 15, at 529.

gives Whitmill the authority to prevent magazines from publishing pictures taken of Tyson and even may require magazines to compensate him for the use of a photograph of the heavyweight champion.

This dilemma is comparable to a 19<sup>th</sup> Century slave code – “no slave shall be allowed to work for pay”<sup>140</sup> – that has the realistic capability of creeping its way into copyright law. In Whitmill’s authoritative position as the copyright owner of Tyson’s facial tattoo, it allows him to control Tyson’s career moves and receive compensation for Tyson’s labor. This control of property rights in any author’s work, not just Whitmill, has the capability to negatively influence a person’s livelihood,<sup>141</sup> dictating the class standard and means that an individual bearing an author’s copyrighted work can live. Such control mirrors the 19<sup>th</sup> Century slave master’s control over a person, allowing the copyright author to reap all the benefits of an individual’s labor while financially crippling the individual bearing the author’s work.<sup>142</sup>

Rasheed Wallace, an NBA player, appeared in a Nike commercial where he explained the meaning behind the tattoos that reside on both of his arms.<sup>143</sup> The commercial zoomed in on the player’s Egyptian inspired tattoo of his family, recreating it through

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<sup>140</sup> See CHARLES M. CHRISTIAN, *BLACK SAGA: THE AFRICAN AMERICAN EXPERIENCE: A CHRONOLOGY* 27-28 (1998).

<sup>141</sup> “Publicity enables a person to profit from their public persona by selling or otherwise exploiting commercially *intangible* body assets.” Rao, *supra* note 89, at n.30.

<sup>142</sup> David Nimmer “worried that the derivative work right could give Whitmill some say over other tattoos Tyson might choose to apply to his face.” Perzanowski, *supra* note 15, at 529; see Declaration of David Nimmer, *supra* note 12.

<sup>143</sup> Robjv1, *Rasheed Wallace NBA Finals Nike Commercial*, YOUTUBE (June 26, 2010), <http://www.youtube.com/watch?v=RqmRu34PXrU>.

computerized simulation.<sup>144</sup> Wallace's tattoo artist Matthew Reed saw the commercial and sued Wallace<sup>145</sup> for contributory infringement based on the basketball star claiming ownership rights in his tattooed skin.<sup>146</sup> Reed asserted his reproduction and public display rights against Wallace for making a career decision to appear in the Nike commercial, which for a professional athlete is normal publicity.<sup>147</sup>

Reed's attempt to control Wallace's tattooed forearm, demonstrates the dangers of a copyright holder becoming a modern day slave master when owning property interest in another's skin. Reed's charge of contributory infringement against Wallace shows how Reed attempted to reinforce his proprietary ownership and dictate the ways that Wallace can use his own arms in advertisements. Reed's slave master tendencies, like Whitmill's with Tyson's facial tattoo, have the capability to affect Wallace's likelihood of sustaining future publicity and income, comparable to the slave code in the 19<sup>th</sup> Century that banned slaves from receiving compensation for their labor.

The problem does not stop with the original author of a copyright from holding the capability to prevent an individual bearing their work of author-

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<sup>144</sup> See *Reed v. Nike, Inc.*, No. CV 05 198 2005 WL 1182840 (D. Or. Feb. 10, 2005); see also Christopher A. Harkins, *Tattoos and Copyright Infringement: Celebrities, Marketers, and Businesses Beware of the Ink*, 10 LEWIS & CLARK L. REV. 313, 316 (2006).

<sup>145</sup> Reed also sued Nike, Inc. and the advertising agency that came up with the commercial's concept. Harkins, *supra* note 144, at 316.

<sup>146</sup> See *id.* at 317.

<sup>147</sup> See *id.* at 316.

ship in public, but copyrights, like all property, can constantly be sold to non-authors. Consequently, strangers, unknown to the individual bearing any work of authorship on the human skin, could appear and limit the individual from using her body in a way that constitutionally endowed to her.<sup>148</sup>

Looking at copyright's largest challenge of balancing interests, permitting Congress to believe that human skin as a viable medium of expression is acceptable does not balance a copyright owner's interest against the interests of the public, but deems the author's property rights more important than the freedom of the American people. Ignorance of this potential problem could lead to copyright holders becoming modern day slave masters, controlling every move of individuals bearing their work on their skin.

### ***B. Slave to the Court: Enforcing Copyright Remedies***

The problematic reality of courts favoring a copyright holder's work in another's skin, whether that be body art, tattoos, body modification, plastic surgery, or body piercings, resides in the court's remedial enforcement, specifically injunctive relief, of an author's moral rights.<sup>149</sup> Section 106A, known as VARA, provides copyright owners, of visual works, morals rights protecting the integrity and attribution of their work of authorship from, "(A) any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation,"<sup>150</sup> and "(B) any destruction of a work of recognized stature, and any intentional or grossly

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<sup>148</sup> Fagundes, *supra* note 54.

<sup>149</sup> Cotter & Mirabole, *supra* note 118, at 119.

<sup>150</sup> 17 U.S.C. § 106A(a)(3)(A) (2012).



negligent destruction of that work is a violation of that right.”<sup>151</sup>

The list of legal concerns is extensive and invades an individual’s basic constitutional rights. First, an author’s copyright protection in another’s skin could result in a court preventing the individual, to whom the body belongs, from obtaining another plastic surgeon or tattoo artist to modify the poor workmanship of the original author as that would violate the copyright holder’s adaptation rights.<sup>152</sup>

Courts could prevent individuals from going out in public or force one to cover up an area on the body containing the copyright holder’s work; this presents a real dilemma if the individual is a celebrity because such an order could prevent that person from appearing on television, magazine covers, or films.<sup>153</sup> Further, courts have the power to order the individual bearing the copyright holder’s work to retain or remove a tattoo, causing the individual to forever wear an unwanted piece of work or undergo laser removal surgery, possibly leaving permanent remnants of the tattoo on the bearer’s body through scarring.<sup>154</sup> The arguments below show why a court should not order the above remedies and deem human flesh as an intangible medium of expression, avoiding the American court system from being la-

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<sup>151</sup> 17 U.S.C. § 106A(a)(3)(B) (2012).

<sup>152</sup> See Cotter & Mirabole, *supra* note 118, at 120.

<sup>153</sup> See Declaration of David Nimmer, *supra* note 12, at 12; see also Cotter & Mirabole, *supra* note 118, at 120.

<sup>154</sup> See Declaration of David Nimmer, *supra* note 12, at 12.

Courts wanting to avoid being labeled slave masters and violating an individual’s constitutional rights may opt to avoid injunctive relief by ordering relief in the form of monetary damages. See also Cotter & Mirabole, *supra* note 118, at 122.

beled as a “21<sup>st</sup> Century judicial slave master.”<sup>155</sup>

## 1. Market Recognition

It is evident that human flesh serves an aesthetic purpose,<sup>156</sup> as a means for individual expression, and a basis for survival. The 1976 Copyright Act does not make mention of whether skin is a “tangible medium of expression” or generally copyrightable,<sup>157</sup> but the market of those individuals that adorn human flesh with colors and individualism hold a uniform consensus on the subject.<sup>158</sup> I will demonstrate why Congress should declare skin as an intangible medium of expression based on the tattoo and piercing<sup>159</sup> industry’s aversion to copyright ownership

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<sup>155</sup> This remedy problem does not just arise with the courts, but also with third parties. Under VARA a copyright holder’s property rights in another’s skin does not just involve individuals bearing the author’s work, but, in context of tattoos, can implicate third party doctors hired to remove unwanted artworks. See Timothy C. Bradley, *The Copyright Implications of Tattoos: Why Getting Inked Can Get You into Court*, 29 ENT. & SPORTS L. 1, 2 (2011), available at <http://www.coatsandbennett.com/images/pdf/the-copyright-implications-of-tattoos.pdf>. For example, Mike Tyson hires a doctor to perform laser tattoo removal on his face because he wants to rid himself of his infamous facial tattoo. Once Tyson’s doctor starts to laser off Tyson’s tattoo, he becomes susceptible to liability under VARA for destruction of another copyright holder’s work. *Id.* at 2-3; Fagundes, *supra* note 54.

<sup>156</sup> See Bradley, *supra* note 155, at 2.

<sup>157</sup> See Declaration of David Nimmer, *supra* note 12, at 15.

<sup>158</sup> See Perzanowski, *supra* note 15, at 532.

<sup>159</sup> Marisa Kakoulas, *The Tattoo Copyright Controversy*, BME ZINE.COM (Dec. 8, 2003), <http://news.bme.com/2003/12/08/the-tattoo-copyright-controversy-guest-column/> (Professional piercer, Martin William McPherson comments on courts issuing injunctions for copyright infringement of tattoos stating that it, “[s]ounds dangerously like State control over our bodies, . . . Isn’t that what many of us are fighting against? Aren’t we

in a client's skin.

Tattoo artists uniformly acknowledge that after finishing a client's tattoo, complete control over that tattoo shifts to the client's "bundle of sticks."<sup>160</sup> Artists in the tattoo industry recognize the individuality and constitutional freedoms that clients possess in their bodies, which is why the inking industry throws its section 106 exclusive rights out the window, and embraces ownership rights that specifically favor their clients. Tattoo artists do not care to have a "piece of the pie" after their clients walk out the door of their tattoo shop. Typical tattoo artists do not file copyright infringement lawsuits when a client reproduces their tattoo for commercial purposes, uploads a picture of their new ink to a social media website to show the world, walks around in public with their inked skin on display,<sup>161</sup> or sends a photograph of their permanent, meaningful, artwork to a magazine for publication.<sup>162</sup>

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(some of us) trying to claim our bodies as our own?" (internal quotations omitted)).

<sup>160</sup> See Perzanowski, *supra* note 15, at 532.

<sup>161</sup> "[A] tattoo artist cannot reasonably expect to control all public displays of his or her work." Bradley, *supra* note 155, at 2. The tattoo artist, Matthew Reed, tattooed Rasheed Wallace, an NBA player. Reed later sued for copyright infringement, however, prior to this suit, he "expected that the tattoo would be publically displayed on Wallace's arm and conceded that such exposure would be considered common in the tattoo industry." Harkins, *supra* note 144, at 316.

<sup>162</sup> See Perzanowski, *supra* note 15, at 537 (rehashing a tattoo artist's positive and not legally entangling story when one of his clients wanted to put the image of his tattoo on the front cover of his upcoming compact disc). *Contra* tattoo artists are not of a consensus that a client can take the tattoo design and use the tattoo as work for a clothing line disconnected to from the body. One tattoo artist said: "if [a client] wanted to then take [the tattoo design] and give it to a graphic artist and have him turn

When asked the question of whether a tattoo artist had any control over a client's tattoo, the response of a female tattoo artist captured the essence of my arguments set forth in Part III:

It's not mine anymore. You own that, you own your body. I don't own that anymore. I own the image, because I have [the drawing] taped up on my wall and I took a picture of it. That's as far as my ownership goes. [Claiming control over the client's use of tattoo is] ridiculous. That goes against everything that tattooing is. A tattoo is an affirmation that is your body . . . that you own your own self, because you'll put whatever you want on your own body. For somebody else [(the tattoo artist)] to say, "Oh no, I own part of that. That's my arm." No, it's not your . . . arm, it's my [(the tattoo bearer's)] . . . arm. Screw you."<sup>163</sup>

Tattoo artists encourage clients to incorporate future work into present tattoos or destroy and replace original tattoos executed badly by an artist, disregarding their moral rights in section 106A.<sup>164</sup> The tattoo industry does not seek permission from the original tattoo artist of a new client, to make corrections or incorporations to an unacceptable piece of ink, as is necessary in formal copyright law to create

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it into an image [for a commercial use], then I'd feel like I should get some kind of compensation for it. But if it was just a photo of the tattoo, even if it's the centerpiece [of an advertisement], I'm OK with that." *Id.* at 538.

<sup>163</sup> Perzanowski, *supra* note 15, at 536 (alterations in original). Tattoo artists looked for new clients to gain prior client's permission when the new client wants an identical custom tattoo already "inked" on a prior client. *Id.* at 539.

<sup>164</sup> *See id.* at 25.

a derivative work.<sup>165</sup> This industry norm further demonstrates that professionals in the field of body art believe that any property rights in a client's tattooed limbs reside exclusively in the client's "bundle of rights." Although the tattoo industry's response to ownership of the client's artwork covered limb legally, in the copyright world, is viewed as the copyright author informally waiving<sup>166</sup> her section 106 and 106A rights, it still demonstrates that the industry acknowledges formal copyright law, but will not adhere to it. Congress should recognize this country-wide lack of adherence and deem an individual's skin as an intangible medium of expression belonging to the individual whom it literally protects.

## 2. Lack of Recognition

Did Congress really want copyright law to cover human skin?<sup>167</sup> The Copyright Act as of 1976 did not list tattoos as a "pictorial, graphic, or sculptural work" capable of gaining copyright registration.<sup>168</sup> The Act's lack of guidance in providing copyright protection to tattoos can lead to the inference that Congress never intended for human skin to pass as a valid "tangible medium of expression" because of the potential slavery implications.<sup>169</sup> In 1955, when Congress first decided to revise the 1909 Copyright Act,

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<sup>165</sup> *See id.* at 26.

<sup>166</sup> For an author to effectively waive his or her rights the waiver must be: (1) "reflected in a written instrument signed by the artist," (2) "expressly agreeing to the waiver, and" (3) "specifically identifying the work and uses of the work to which the waiver applies." MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 8D.06[D] (2012)

<sup>167</sup> *Can You Copyright the Human Body?*, *supra* note 137.

<sup>168</sup> Declaration of David Nimmer, *supra* note 12, at 15.

<sup>169</sup> *See id.* at 16.

Congress compiled seventeen volumes of legislative materials, and not one volume contained a single reference to human skin.<sup>170</sup>

The judicial system has *never* had the privilege to decide a case dealing with human skin's copy-rightability.<sup>171</sup> The courts came close in the 2000 case, *Carell v. Shubery Organization, Inc.*,<sup>172</sup> holding in a motion to dismiss that the plaintiff's makeup designs for the actors in the Broadway play *Cats* "contain[ed] the requisite degree of originality, and are fixed in a tangible form on the faces of the *Cats* actors."<sup>173</sup> However, on this matter the parties settled outside of court.<sup>174</sup> Two more cases, *Whitmill v. Warner Brothers Entertainment, Inc.* and *Reed v. Nike, Inc.*,<sup>175</sup> held the capability of putting meat on this legal issue, but both parties in these cases settled outside of court, just as in *Carell*. The judge hinted in *Whitmill* that tattoos and human skin can receive copyright protection, but this statement holds *no* weight until it appears in an opinion by a judge establishing legal precedent.<sup>176</sup>

The lack of intent and evidence by Congress to label human skin as a "tangible medium of expression" in the 1976 Copyright Act, in addition to the passing of the Thirteenth Amendment, demonstrates Congress' avoidance of the issue based on the disas-

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<sup>170</sup> *See id.*

<sup>171</sup> This statement is true for both before and after the passing of the 1976 Copyright Act.. *Id.* at 17.

<sup>172</sup> *Carell v. Shubert Org., Inc.*, 104 F. Supp. 2d 236 (S.D.N.Y. 2000).

<sup>173</sup> *Id.* at 247.

<sup>174</sup> Reichman & Johnson, *supra* note 6, at 29.

<sup>175</sup> *Reed v. Nike, Inc.*, No. CV 05 198 2005 WL 1182840 (D. Or. Feb. 10, 2005).

<sup>176</sup> *See* Reichman & Johnson, *supra* note 6, at 29.

trous consequences that such a label could create. Congress needs to recognize its lack of recognition, along with the tattoo industry's recognition that skin belongs to the individual that possesses and resides in it. Congress must label human skin an unacceptable medium for copyrights in order to avoid the courts from indemnifying people bearing tattoos, piercings, or undergoing plastic surgery into copyright-based slavery for the life of the tattoo artist, piercer, or plastic surgeon, plus seventy years after the death of the creator.<sup>177</sup>

### CONCLUSION

Congress' lack of recognition and the judiciary's inability to establish legal precedent surrounding the copyrightability of human flesh conjures up the opinions of many scholars in the intellectual property field to speak out about the disastrous consequences of branding human skin as a "tangible medium of expression." Based on the arguments throughout this Article, Congress must produce legislation amending the 1976 Copyright Act to explicitly categorize skin as an intangible medium of expression in an effort to avoid the fatality of courts establishing "pictorial, graphic, or sculptural works" in skin as copyrightable, allowing judges to act as "21<sup>st</sup> Century judicial slave masters."

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<sup>177</sup> 17 U.S.C. § 302 (2012) (codifying that the life of the author plus seventy years provision only applies only to works created on or after January 1, 1978).

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*Article*

**Shutting Down the Pharmacy on  
Wheels: Will Lance Armstrong's  
Admission Impact the Practice of  
Doping in Professional Cycling?**

*Kristina Fretwell\**

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\* Kristina Fretwell received her J.D., *summa cum laude*, from California Western School of Law in December 2013. During law school she was a member of the Sports and Entertainment Law Society and served as a senior editor for the *California Western Law Review/International Law Journal*. She previously received her Bachelor of Arts, *cum laude*, in Political Science with a split minor in Philosophy and History from the University of Arizona in May 2001. Ms. Fretwell would like to thank her husband, Bob Fretwell, for introducing her to the sport of cycling and serving as an inspiration for this piece.



### ***Abstract***

Lance Armstrong was one of the sport's greatest heroes and his doping admission shook the American public to its core. Although professional cyclists are sanctioned for violating anti-doping rules on an almost regular basis, the investigation and lifetime ban of Lance Armstrong highlighted the serious problems facing the sport. Increased efforts to police drug use in cycling appear to be ineffective; however, as Armstrong's situation may reveal, private lawsuits have the potential to serve as a new and additional deterrent to cheating in the future.

The aftermath of Armstrong's admission has led to bickering of the major regulatory agencies, leading the general public to question whether the sport will ever be clean. This Article explores the impact Armstrong's doping admission might have on the sport of professional cycling in the future, as well as the history of doping in cycling.

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## INTRODUCTION

After a doping scandal rocked the 1998 Tour de France, a leading expert on gene doping and drug testing commented that “[t]he Tour debacle has finally made it acceptable to say in public and without provocation what many have known for a long time, namely, that long-distance cycling has been the most consistently drug-soaked sport of the twentieth century.”<sup>1</sup> Although the regulatory landscape has changed dramatically since Hoberman uttered this statement fifteen years ago, doping continues to envelop the sport of professional cycling today. In fact, since 1995, only four winners of the Tour de France, cycling’s most famous race, have not become embroiled in controversies involving performance-enhancing drugs.<sup>2</sup>

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<sup>1</sup> John Hoberman, *A Pharmacy on Wheels – The Tour De France Doping Scandal*, MESO-RX (Nov. 15, 1998), <http://thinksteroids.com/articles/festina-tour-de-france-doping-scandal/>.

<sup>2</sup> See Ian Austen, *2010 Tour de France Winner Found Guilty of Doping*, N.Y. TIMES (Feb. 6, 2012), [http://www.nytimes.com/2012/02/07/sports/cycling/alberto-contador-found-guilty-of-doping.html?\\_r=0](http://www.nytimes.com/2012/02/07/sports/cycling/alberto-contador-found-guilty-of-doping.html?_r=0). Since 1995, Carlos Sastre, Cadel Evans, Bradley Wiggins, and Chris Froome are the only Tour de France winners who have not tested positive, admitted to the use of, or were sanctioned for the use of

In 2012 alone, the United States Anti-Doping Agency sanctioned seventeen American cyclists for the use of performance-enhancing substances.<sup>3</sup> One of the sanctioned cyclists was Lance Armstrong, the only individual to have won seven Tour de France titles in the history of the sport.<sup>4</sup> Shortly after being banned from professional cycling for life, Armstrong admitted using performance-enhancing substances throughout his entire professional career.<sup>5</sup> Not only did his admission highlight the crisis facing the sport, it caused tension among the major regulatory bodies in the world, including the International Cycling Union and the World Anti-Doping Agency, as they grappled with the aftermath.<sup>6</sup>

Although the international community has attempted to rid cycling of drug use through the enactment of new drug testing techniques and strict-liability enforcement of anti-doping rules,<sup>7</sup> the pres-

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performance-enhancing drugs. See Alan McLean et. al., *Top Finishers of the Tour de France Tainted by Doping*, N.Y. TIMES (Jan. 24, 2013),

<http://www.nytimes.com/interactive/2012/08/24/sports/top-finishers-of-the-tour-de-france-tainted-by-doping.html>; Daniel Benson, *No Positive Doping Tests at 2013 Tour de France*, CYCLINGNEWS (Aug. 20, 2013),

<http://www.cyclingnews.com/news/no-positive-doping-tests-at-2013-tour-de-france>.

<sup>3</sup> *Sanctions*, U.S. ANTI-DOPING AGENCY, <http://www.usada.org/sanctions/> (last visited Feb. 25, 2014).

<sup>4</sup> *Id.*; see also *Tour de France Fast Facts*, CNN (Dec. 6, 2013, 4:08 PM), <http://www.cnn.com/2013/06/05/world/europe/tour-de-france-fast-facts/>.

<sup>5</sup> *Lance Armstrong, Biography*, BIOGRAPHY CHANNEL, <http://www.biography.com/print/profile/lance-armstrong-9188901> (last visited Feb. 3, 2014).

<sup>6</sup> See discussion *infra* Part IV.A.

<sup>7</sup> See generally *World Anti-Doping Code*, WORLD ANTI-DOPING AGENCY, <http://www.wada-ama.org/en/World-Anti-Doping->

sure to break records and win races continues to entice athletes to engage in sophisticated doping programs. Despite efforts to police the sport, athletes continue to use performance-enhancing substances in alarming numbers, threatening cycling's credibility as a competitive sport.<sup>8</sup> Further, many athletes that have been suspended for anti-doping violations in the past continue to compete today, undermining the image that the international community is truly working to rid the sport of cheating.<sup>9</sup>

Shortly after he admitted using performance-enhancing substances throughout his career, Armstrong was sued by insurance companies and former sponsors.<sup>10</sup> Additionally, the United States Department of Justice joined a whistleblower lawsuit against Armstrong for defrauding the federal government.<sup>11</sup> This Article explores the history of doping in cycling, as well as the impact of Armstrong's admission on the sport. Although increased efforts to police drug use in cycling appear to be ineffective, as Armstrong's situation may reveal, private lawsuits have the potential to serve as a new and additional deterrent against cheating in the future.

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Program/Sports-and-Anti-Doping-Organizations/The-Code/ (last updated May 2011).

<sup>8</sup> See *Sanctions*, *supra* note 3.

<sup>9</sup> See discussion *infra* Part III.

<sup>10</sup> Michael O'Keeffe, *Lance Armstrong Faces Another Lawsuit as Acceptance Insurance Coming After the Disgraced Cyclist for \$3M Claiming Fraud & Breach of Contract*, N.Y. DAILY NEWS (Mar. 2, 2013, 11:49 AM), <http://www.nydailynews.com/sports/i-team/disgraced-lance-faces-lawsuit-fraud-article-1.1277096>.

<sup>11</sup> Juliet Macur, *Armstrong Facing Two More Lawsuits*, N.Y. TIMES (Mar. 1, 2013), <http://www.nytimes.com/2013/03/02/sports/cycling/lance-armstrong-is-facing-another-lawsuit.html>.

## I. THE HISTORY OF MODERN DOPING

The use of performance enhancing substances is not a new phenomenon. The history of modern doping can be traced back to the early nineteenth century when cyclists and other endurance athletes began using substances such as caffeine, cocaine, strychnine, and alcohol to complete competitive endeavors.<sup>12</sup> Athletes in ancient Greece were known to have used special diets and herb concoctions to gain a competitive edge while participating in the Olympic Games.<sup>13</sup> The first death attributed to doping occurred in the sport of cycling in 1896, when English cyclist Arthur Linton died due to ephedrine intake during a race from Boudreaux to Paris.<sup>14</sup> By the early 1920's, doping was prevalent in international sport; however it wasn't until 1928 that the International Association of Athletics Foundations first banned the use of stimulating substances.<sup>15</sup> The restrictions were largely ineffective, though, because doping tests were not performed.<sup>16</sup> In 1960, the death of Danish cyclist Knud Enemark Jensen during competition at the Olympic Games increased the pressure on sports authorities to institute drug test-

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<sup>12</sup> See *A Brief History of Anti-Doping*, WORLD ANTI-DOPING AGENCY, <http://www.wada-ama.org/en/About-WADA/History/A-Brief-History-of-Anti-Doping/> (last updated June 2010); see also Hoberman, *supra* note 1.

<sup>13</sup> *Id.*; *History of Doping*, TECHNISCHE UNIVERSITÄT MÜNCHEN, <http://www.doping-prevention.de/doping-in-general/history-of-doping.html> (last visited Feb. 2, 2014).

<sup>14</sup> *History of Doping*, *supra* note 13; Paul Cartmell, *Lance Armstrong Ban Part of Long History of Doping in Cycling*, YAHOO SPORTS (Aug. 24, 2012, 5:47 PM), <http://sports.yahoo.com/news/lance-armstrong-ban-part-long-history-doping-cycling-214700698.html>.

<sup>15</sup> *A Brief History of Anti-Doping*, *supra* note 12.

<sup>16</sup> *Id.*

ing.<sup>17</sup>

In 1966, the International Cycling Union (UCI) and the Fédération Internationale de Football Association (FIFA) introduced doping tests in their respective World Championships, and the next year the International Olympic Committee (IOC) established its Medical Commission and its first list of prohibited substances.<sup>18</sup> Despite these developments, another cyclist, Tom Simpson, died in 1967 during the Tour de France, due to the use of amphetamines and alcohol.<sup>19</sup> International Sport Federations continued to implement more stringent anti-doping measures throughout the following years; however, as doping procedures became more sophisticated, sports agencies struggled to find reliable testing methods.<sup>20</sup>

In 1998, the doping crisis in professional cycling reached new heights. Three days before the start of the Tour de France, one of the top teams in the world, Festina, was expelled after a team car was found to contain large quantities of doping products, including the banned blood-booster erythropoietin (EPO) and human growth hormone.<sup>21</sup> In response, the IOC convened the First World Conference on An-

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<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* See also *Tom Simpson Biography*, CYCLING INFO, <http://cyclinginfo.co.uk/cyclists/british/tom-simpson-biography/> (last visited Feb. 3, 2014).

<sup>20</sup> See *A Brief History of Anti-Doping*, *supra* note 12.

<sup>21</sup> See Robyn J. Rosen, *Breaking the Cycle: Balancing the Eradication of Doping From International Sport While Upholding the Rights of the Accused Athlete*, 25 ENT. & SPORTS LAW. 3, 4 (2007); see also *Festina Affair Casts Shadow on Tour de France*, DNA (July 3, 2008), [http://www.dnaindia.com/sport/report\\_festina-affair-casts-shadow-on-tour-de-france\\_1175462](http://www.dnaindia.com/sport/report_festina-affair-casts-shadow-on-tour-de-france_1175462).

ti-Doping in February 1999, and established the World Anti-Doping Agency (WADA) on November 10, 1999.<sup>22</sup>

### ***A. The World Anti-Doping Agency***

WADA is an independent international body, whose mission is to “promote health, fairness and equality for athletes worldwide by working to ensure harmonized, coordinated and effective anti-doping programs at the international level . . .”<sup>23</sup> To provide a framework for harmonized anti-doping policies, rules, and regulations, WADA adopted the World Anti-Doping Code (the “Code”) in January 2004.<sup>24</sup> The Code works in conjunction with five International Standards that govern technical and operational areas, and is comprised of the Prohibited List, Testing, Laboratories, Therapeutic Use Exemptions, and Protection of Privacy and Personal Information.<sup>25</sup> The Code takes a strict liability approach to doping violations: riders need not intend to enhance their own performance, or even ingest a banned substance, to receive sanctions.<sup>26</sup>

More than fifty nations, including the United

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<sup>22</sup> See *A Brief History of Anti-Doping*, *supra* note 12.

<sup>23</sup> Sir Craig Reddie, *President’s Welcome Message*, WORLD ANTI-DOPING AGENCY, <http://www.wada-ama.org/en/About-WADA/Presidents-Welcome-Message/> (last updated Jan. 2014).

<sup>24</sup> *World Anti-Doping Code*, *supra* note 7.

<sup>25</sup> *International Standards*, WORLD ANTI-DOPING AGENCY, <http://www.wada-ama.org/en/World-Anti-Doping-Program/Sports-and-Anti-Doping-Organizations/International-Standards/> (last updated Oct. 2009).

<sup>26</sup> See WORLD ANTI-DOPING CODE §§ 2.1.1 cmt., 2.2.2 cmt., 4.2.2 cmt. (World Anti-Doping Agency 2009), *available at* [http://www.wada-ama.org/Documents/World\\_Anti-Doping\\_Program/WADP-The-Code/WADA\\_Anti-Doping\\_CODE\\_2009\\_EN.pdf](http://www.wada-ama.org/Documents/World_Anti-Doping_Program/WADP-The-Code/WADA_Anti-Doping_CODE_2009_EN.pdf).

States, and 500 sports organizations, have signed the Code and adopted the rules and regulations established by WADA.<sup>27</sup> In 2004, cycling was the final Olympic sport to adopt the Code.<sup>28</sup> Code signatories must ensure that their own rules and policies are in compliance with the anti-doping principles articulated by the Code.<sup>29</sup>

### ***B. Implementation of the Biological Passport***

Traditional anti-doping efforts focused on direct detection of prohibited substances through the use of urine and blood tests.<sup>30</sup> As doping methods became more sophisticated, use of traditional analytical tests did not always detect the use of substances on an intermittent or low-dose basis, new substances, or modifications of prohibited substances.<sup>31</sup> WADA began researching different methods of detection after a dozen athletes were suspended from the 2006 Olympic Games for heightened hemoglobin levels.<sup>32</sup>

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<sup>27</sup> Rosen, *supra* note 21, at 5.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Questions & Answers on Athlete Biological Passport*, WORLD ANTI-DOPING AGENCY, <http://www.wada-ama.org/en/Resources/Q-and-A/Athlete-Biological-Passport/> (last updated Sept. 2011) (expand “What modules compose the Athlete Biological Passport (ABP)?”).

<sup>31</sup> *See id.* (expand “Does the ABP replace traditional doping control?”).

<sup>32</sup> Juliet Macur, *Cycling Union Takes Leap in Fight Against Doping*, N.Y. TIMES (Oct. 24, 2007), [http://www.nytimes.com/2007/10/24/sports/othersports/24cycling.html?\\_r=2&](http://www.nytimes.com/2007/10/24/sports/othersports/24cycling.html?_r=2&). Ahead of the 2007 Tour de France, Ivan Basso received a two-year suspension after confessing to attempted doping and team Astana fired German rider Matthias Kessler after his “B” sample confirmed a positive doping test from April of that same year. *Doping Incidents Ahead of and During 2007 Tour de France*, USA TODAY (July 28, 2007),



After a series of doping scandals nearly overtook the 2007 Tour de France, WADA, in conjunction with the UCI, held a two-day summit to discuss a new biological passport program.<sup>33</sup> The new program gathers information from riders through a series of blood tests to provide baseline levels for certain biological markers.<sup>34</sup> Variations in those levels would then be assessed for potential blood manipulation.<sup>35</sup> The UCI became the first International Sport Federation to introduce the biological passport program in 2008.<sup>36</sup>

### ***C. Disciplinary Process***

As cycling's International Federation, the organization that administers and promotes the sport, the International Cycling Union (UCI), has testing jurisdiction over all athletes who participate in its

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[http://usatoday30.usatoday.com/sports/cycling/2007-07-28-3813791501\\_x.htm](http://usatoday30.usatoday.com/sports/cycling/2007-07-28-3813791501_x.htm). During the 2007 Tour, Patrik Sinkewitz dropped out after testing positive for high levels of testosterone; Alexandre Vinokourov, along with team Astana, was forced out of the race after Vinokourov tested positive for a banned blood transfusion after his 13<sup>th</sup> stage time trial victory; Italian rider Cristian Moreni tested positive for testosterone and withdrew from the race, along with his entire Cofidis team; and the Dutch Rabobank team removed overall leader Michael Rasmussen for lying about his whereabouts before the Tour. *Id.*

<sup>33</sup> Macur, *Cycling Union Takes Leap in Fight Against Doping*, *supra* note 32.

<sup>34</sup> *Id.*; see *Information on the Biological Passport*, UNION CYCLISTE INTERNATIONALE (Dec. 12, 2007), <http://www.uci.ch/Modules/ENews/ENewsDetails.asp?MenuId=&id=NTQzOA>.

<sup>35</sup> See Macur, *Cycling Union Takes Leap in Fight Against Doping*, *supra* note 32; see also *Information on the Biological Passport*, *supra* note 34.

<sup>36</sup> *Information on the Biological Passport*, *supra* note 34.

events.<sup>37</sup> Additionally, as the national anti-doping organization for the Olympic Movement in the United States, the U.S. Anti-Doping Agency (USADA) has testing jurisdiction over all riders who are present in the U.S. or are members of sports organizations in the country.<sup>38</sup> If the UCI determines through its drug-testing program that a rider has committed an anti-doping violation, the UCI notifies the rider's National Federation and requests that it initiate disciplinary proceedings.<sup>39</sup> Notification is also sent to the rider, the rider's team, and WADA.<sup>40</sup>

If USADA decides to charge an athlete with an anti-doping rule violation, the athlete can accept USADA's recommended sanction or take the case to a hearing before arbitrators who are members of the American Arbitration Association and the Court of Arbitration for Sport ("AAA/CAS arbitrators").<sup>41</sup> The hearing panel is required to hear the case under the UCI's Anti-Doping rules<sup>42</sup> and must allow the UCI to provide its opinion and demand that a sanction be imposed.<sup>43</sup> Further, each party must have the right to be represented by a "qualified lawyer."<sup>44</sup>

The decision by the AAA/CAS arbitrators can

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<sup>37</sup> See *World Anti-Doping Code*, supra note 7.

<sup>38</sup> *Id.*

<sup>39</sup> UCI CYCLING REGULATIONS: ANTI-DOPING pt. 14, art. 234 (Int'l Cycling Union 2012), available at <http://www.uci.ch/Modules/BUILTIN/getObject.asp?MenuId=MTY2NjU&ObjTypeCode=FILE&type=FILE&id=NDc3MDk&LangId=1>.

<sup>40</sup> *Id.* art. 206.

<sup>41</sup> U.S. ANTI-DOPING AGENCY ATHLETE HANDBOOK 30 (effective Jan. 1, 2013 – Dec. 31, 2013), available at <http://www.usada.org/uploads/athletehandbook.pdf>.

<sup>42</sup> UCI CYCLING REGULATIONS: ANTI-DOPING pt. 14, art. 345.

<sup>43</sup> *Id.* art. 332.

<sup>44</sup> *Id.* art. 267.

be appealed by either party, WADA, or the UCI, to the Court of Arbitration for Sport,<sup>45</sup> however the decision by CAS is final and binding on all parties, and is not subject to further review.<sup>46</sup> USADA aims to provide a disciplinary process that is “fair to athletes” and “provides for a full evidentiary hearing before experienced, internationally recognized arbitrators.”<sup>47</sup>

## II. CONTINUED DOPING SCANDALS

Despite the adoption of the World Anti-Doping Code and the implementation of the Biological Passport program, doping scandals have continued to proliferate professional cycling. For instance, in 2011, thirty-three riders were sanctioned by the UCI for anti-doping rule violations.<sup>48</sup> Notably, many of the athletes implicated in previous doping scandals continue to compete today. Some of the most significant doping scandals that have occurred since the implementation of WADA are detailed below.

### A. *Operación Puerto*

After Jesus Manzano, a former professional cyclist, admitted to blood doping and use of performance enhancing substances in 2003 while a member of the Kelme cycling team, a large scale investi-

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<sup>45</sup> *Id.* art. 329.

<sup>46</sup> *Id.* art. 346.

<sup>47</sup> *Adjudication*, U.S. ANTI-DOPING AGENCY, <http://www.usada.org/adjudication/> (last visited Feb. 2, 2014).

<sup>48</sup> *Consequences Imposed on License-Holders as Result of an Anti-Doping Violation Under the UCI Anti-Doping Rules*, INT’L CYCLING UNION, <http://www.uci.ch/Modules/BUILTIN/getObject.asp?MenuId=MTU3Mjg&ObjTypeCode=FILE&type=FILE&id=Nzk5OTY&LangId=1> (last visited Feb. 2, 2014).

gation in 2006 lead to the implication of two team doctors for trafficking medicinal drugs and services as part of a sophisticated doping program administered to elite athletes for several years.<sup>49</sup> During the investigation, police recovered bags of blood and plasma,<sup>50</sup> refrigerators full of drugs,<sup>51</sup> administration schedules for some of the athletes being doped by the doctors,<sup>52</sup> calendars of when athletes planned to compete during the year,<sup>53</sup> and clinical trials in which blood parameters of riders were measured.<sup>54</sup> Additionally, investigators found documents implicating riders being doped by the doctors that corresponded with the prior doping suspension of those athletes, including Roberto Heras<sup>55</sup> and Isidoro Nozal,<sup>56</sup> whom were both suspended in 2005, and Tyler Hamilton<sup>57</sup> and Santiago Perez,<sup>58</sup> whom were suspended in 2004.

As a result of the investigation, several other elite riders were also implicated as participants in the doping program, including Jan Ullrich,<sup>59</sup> Oscar Sevilla,<sup>60</sup> Jorg Jaksche,<sup>61</sup> Michele Scarponi,<sup>62</sup> Allan

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<sup>49</sup> See *Appendix M to USADA's Reasoned Decision: Overview of Evidence in the Operación Puerto Doping Investigation*, U.S. ANTI-DOPING AGENCY 1, 1-2 (2006), <http://d3epuodzu3wuis.cloudfront.net/Operacion+Puerto+Overview.pdf>.

<sup>50</sup> *Id.* at 2.

<sup>51</sup> *Id.* at 3.

<sup>52</sup> *Id.* at 4.

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Id.* at 5-6.

<sup>56</sup> *Id.* at 6-7.

<sup>57</sup> *Id.* at 7-9.

<sup>58</sup> *Id.* at 9.

<sup>59</sup> *Id.* at 10.

<sup>60</sup> *Id.* at 10-11.

<sup>61</sup> *Id.* at 11-12.

Davis,<sup>63</sup> Alberto Contador,<sup>64</sup> Ivan Basso,<sup>65</sup> Santiago Botero,<sup>66</sup> Francisco Mancebo Perez,<sup>67</sup> and Alejandro Valverde.<sup>68</sup> To date, only six of the fifty-six riders implicated in the investigation have been suspended for their participation in Operación Puerto, one of whom had his suspension overturned on appeal, and several riders, including Alberto Contador, were cleared of links to the doping scandal.<sup>69</sup>

### ***B. Floyd Landis***

Floyd Landis began riding professionally in 2002 with the U.S. Postal Service Team.<sup>70</sup> In 2006, he won the Tour de France, securing his ultimate victory during Stage 17 of the race, when he “beat the field by nearly six minutes.”<sup>71</sup> Landis later tested positive for synthetic testosterone, was stripped of his title, and banned from cycling for two years.<sup>72</sup> Landis exhausted his options under the World Anti-

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<sup>62</sup> Id. at 12-13.

<sup>63</sup> Id. at 13.

<sup>64</sup> Id. at 13-14.

<sup>65</sup> Id. at 14.

<sup>66</sup> Id. at 14-16.

<sup>67</sup> Id. at 16-17.

<sup>68</sup> Id. at 17.

<sup>69</sup> See Matt Slater, *Spain's Operacion Puerto to Inflict More Embarrassment on Cycling*, BBC (Jan. 30, 2013), <http://www.bbc.co.uk/sport/0/cycling/21259759>. See also Tim Line of Operacion Puerto, CYCLING NEWS (April 30, 2013, 11:41 PM), <http://www.cyclingnews.com/features/time-line-of-operacion-puerto>.

<sup>70</sup> *Floyd Landis, Biography*, BIOGRAPHY CHANNEL, <http://www.biography.com/print/profile/floyd-landis-201313> (last visited Feb. 2, 2014).

<sup>71</sup> Id.

<sup>72</sup> Id.

Doping Code and appealed the case to CAS.<sup>73</sup> In an unprecedented decision, CAS ordered Landis to pay \$100,000 to USADA “as a contribution toward its costs in the CAS arbitration” because there was “no evidence of misconduct on the part [of] USADA in prosecuting the case.”<sup>74</sup> The panel concluded, “On the contrary, . . . if there was any litigation misconduct, it may be ascribed to the applicant.”<sup>75</sup>

Landis continued to deny using performance-enhancing substances until 2010, when he admitted to doping throughout his entire career, including during his 2006 Tour de France victory.<sup>76</sup> After his admission, Landis was hit with various lawsuits, including one related to donations he received to support his fight against the doping allegations.<sup>77</sup> Landis was eventually ordered to repay all donations received – nearly \$480,000.<sup>78</sup>

In 2010, Landis filed a whistleblower suit against his former teammate, Lance Armstrong, claiming that Armstrong defrauded the federal government by accepting sponsorship money to fund a U.S. Postal Service team fueled by performance-enhancing drugs.<sup>79</sup> Though the suit is under judicial

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<sup>73</sup> *Floyd Landis Loses CAS Appeal*, VELONEWS (July 4, 2008 5:29 PM), [http://velonews.competitor.com/2008/06/news/road/floyd-landis-loses-cas-appeal\\_79029](http://velonews.competitor.com/2008/06/news/road/floyd-landis-loses-cas-appeal_79029).

<sup>74</sup> *Id.*

<sup>75</sup> *Id.* (internal quotations omitted).

<sup>76</sup> *Floyd Landis, Biography*, *supra* note 70.

<sup>77</sup> Frederick Dreier, *Floyd Landis Calls Pro Cycling ‘Organized Crime,’* USA TODAY (Feb. 13, 2013 4:46 PM), <http://www.usatoday.com/story/sports/cycling/2013/02/13/floyd-landis-pro-cycling-is-organized-crime/1916805/>.

<sup>78</sup> *Id.*

<sup>79</sup> Liz Clarke, *Floyd Landis Whistleblower Suit Targets More than Lance Armstrong*, WASH. POST (Jan. 17, 2013),

seal, Landis shared many of his allegations in news interviews with journalists and conversations with Travis Tygart, the head of USADA, and Jeff Novitzky, an official of the U.S. Food and Drug Administration (“FDA”) tasked with investigating steroid use in sports.<sup>80</sup> Much of the information Landis provided to USADA and the FDA became a part of the USADA document used to strip Armstrong of his seven Tour de France titles in 2012.<sup>81</sup>

### ***C. Danilo Di Luca***

Danilo Di Luca, an Italian cyclist, was accused of doping for many years and was suspended for three months during the off-season in 2007-2008 for his involvement in an Italian doping case.<sup>82</sup> In 2009, Di Luca tested positive for Continuous Erythropoiesis Receptor Activator (CERA), a form of EPO, twice during the Giro d’Italia and was suspended for two years by the Italian Olympic Committee’s anti-doping court.<sup>83</sup> His ban was reduced to nine months after he admitted using performance-enhancing substances and revealed his doping techniques to Italian police.<sup>84</sup> Di Luca made a comeback in 2011 and rode

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[http://articles.washingtonpost.com/2013-01-17/sports/36409945\\_1\\_tour-de-france-titles-whistleblower-suit-floyd-landis](http://articles.washingtonpost.com/2013-01-17/sports/36409945_1_tour-de-france-titles-whistleblower-suit-floyd-landis).

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Di Luca Set to Ride for Free with One Year Katusha Deal*, CYCLING NEWS (Jan. 10, 2011, 9:44 AM), <http://www.cyclingnews.com/news/di-luca-set-to-ride-for-free-with-one-year-katusha-deal>.

<sup>83</sup> *Id.*

<sup>84</sup> Stephen Farrand, *Di Luca Confesses to Doping Mistakes*, CYCLING NEWS (Dec. 22, 2010, 12:19 PM), <http://www.cyclingnews.com/news/di-luca-confesses-to-doping-mistakes>.

with Russian team Katusha in 2011 and team Acqua & Sapone in 2012.<sup>85</sup> Shortly after signing an agreement to ride for Vini Fatini-Selle Italia, Di Luca, once again, tested positive for EPO, five days before the 2013 Giro d'Italia.<sup>86</sup> Di Luca was subsequently banned from cycling for life.<sup>87</sup>

#### ***D. Alberto Contador***

Alberto Contador, a three-time Tour de France Champion, tested positive for clenbuterol, a muscle building and weight-loss drug, during the 2010 Tour.<sup>88</sup> Contador claimed the positive test was the result of eating tainted meat, however he was suspended by the UCI, pending an investigation.<sup>89</sup> Subsequently, the Spanish Cycling Federation cleared Contador of any wrongdoing, but both WADA and the UCI appealed the decision to CAS.<sup>90</sup> CAS determined that Contador's claim of having eaten tainted meat was not substantiated.<sup>91</sup> As a result, Contador was ultimately suspended for two years and stripped of his 2010 Tour victory, in addition to his twelve

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<sup>85</sup> *Id.*; *Di Luca Confirms Acqua & Sapone for 2012*, CYCLING NEWS (Nov. 8, 2011, 9:50 AM), <http://www.cyclingnews.com/news/di-luca-confirms-acqua-and-sapone-for-2012>.

<sup>86</sup> Barry Ryan and Stephen Farrand, *Danilo Di Luca Positive for EPO*, CYCLING NEWS (May 24, 2013, 10:57 AM), <http://www.cyclingnews.com/news/danilo-di-luca-positive-for-epo>.

<sup>87</sup> *Danilo Di Luca, Ex-Giro d'Italia Winner, Gets Life Ban for Third Doping Offence*, GUARDIAN (Dec. 5, 2013, 11:12 AM), <http://www.theguardian.com/sport/2013/dec/05/giro-danilo-di-luca-life-ban>.

<sup>88</sup> Austen, *supra* note 2.

<sup>89</sup> *Id.*

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*



other titles.<sup>92</sup> As noted above, Contador was also implicated in the Operación Puerto doping scandal in 2006, but was later cleared of any involvement.<sup>93</sup> After serving his suspension, Contador rejoined his former team, Saxo Bank, in 2012.<sup>94</sup>

### ***E. Frank Schleck***

Frank Schleck, who finished third in the 2011 Tour de France, was forced to drop out of the 2012 race five stages from the end for testing positive for the diuretic Xipamide.<sup>95</sup> Schleck maintained that he unintentionally consumed a contaminated product, however the Luxembourg Anti-Doping Agency suspended him from the sport for one year.<sup>96</sup> While the council could have suspended Schleck for two years under the UCI's strict liability anti-doping provisions, the council only imposed a twelve-month suspension, noting that Schleck unintentionally consumed the substance.<sup>97</sup> Schleck, WADA, or the UCI had the option to appeal the Luxembourg Anti-Doping Agency's decision, however, no appeal was filed and Schleck's suspension ended on July 13, 2013.<sup>98</sup> Schleck returned to cycling in January 2014,

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<sup>92</sup> *Id.*

<sup>93</sup> *Id.*

<sup>94</sup> *Contador Returns with Saxo Bank*, CYCLING NEWS (June 8, 2012, 1:44 PM), <http://www.cyclingnews.com/news/contador-returns-with-saxo-bank>.

<sup>95</sup> *Frank Schleck Given 1-Year Doping Ban*, USA TODAY (Jan. 30, 2013, 5:34 PM), <http://www.usatoday.com/story/sports/cycling/2013/01/30/frank-schleck-given-1-year-doping-sentence/1877333/>.

<sup>96</sup> *Id.*

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*; *Frank Schleck Set for July 14 Return to Racing*, CYCLING NEWS (April 4, 2013, 3:59 PM),

competing in the Tour Down Under in Australia.<sup>99</sup>

### ***F. Lance Armstrong***

Lance Armstrong, one of the sport's most infamous riders, won seven consecutive Tour de France titles after battling advanced testicular cancer.<sup>100</sup> Armstrong was faced with numerous doping allegations throughout his career, but in 2012, USADA brought formal charges against him.<sup>101</sup> Just as he had earlier allegations, Armstrong vehemently denied that he ever used performance-enhancing substances at any time during his professional cycling career.<sup>102</sup> On August 23, 2012, Armstrong announced that he would not continue to fight the USADA charges and the next day, USADA stripped all seven of Armstrong's Tour titles, in addition to other honors he had received from 1999 to 2005, and banned him from cycling for life.<sup>103</sup> In October 2012, USADA released the evidence it had gathered against Armstrong, including testimony from several of Armstrong's former teammates who claimed he

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<http://www.cyclingnews.com/news/frank-schleck-set-for-july-14-return-to-racing>.

<sup>99</sup> *Frank Schleck Arrives for Tour Down Under and Denies He is a Drug Cheat*, ABC NEWS (Jan. 13, 2014, 12:07 PM),

<http://www.abc.net.au/news/2014-01-13/schleck-27turns-page27-on-drug-ban/5197140>.

<sup>100</sup> *Lance Armstrong, Biography*, *supra* note 5. By the time he was diagnosed, Armstrong's cancer was in an advanced stage and had spread to his abdomen, lungs, lymph nodes, and brain. He was given a 65-85 percent chance of survival, which dropped to 40 percent after the tumors in his brain were discovered. The surgeries and chemotherapy were successful and he was declared cancer free in February 1997. *Id.*

<sup>101</sup> *Id.*

<sup>102</sup> *Id.*

<sup>103</sup> *Id.*

had not only used drugs, but was the ringleader for the team's doping efforts.<sup>104</sup> Though Armstrong disputed USADA's findings when they were released, he eventually admitted in January 2013, during an appearance on *The Oprah Winfrey Show*, that he used performance-enhancing substances throughout his career.<sup>105</sup>

After his admission, the U.S. Department of Justice decided to join the whistleblower lawsuit that Floyd Landis filed against Armstrong in 2010, contending he defrauded the government.<sup>106</sup> If Armstrong loses, he may be forced to pay the government up to \$90 million in damages.<sup>107</sup> Since his admission, he has also been hit with several other private lawsuits for the return of prize money, bonuses, and a settlement for a false libel claim from the *Times of London*.<sup>108</sup>

### III. THE FUTURE OF PROFESSIONAL CYCLING

While there have been multiple doping scandals in professional cycling since the establishment

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<sup>104</sup> *Id.* Six of the seven riders who provided testimony against Armstrong received six month suspensions for their participation in the doping program. *Sanctions*, U.S. ANTI-DOPING AGENCY, <http://www.usada.org/sanctions/> (last visited Mar. 28, 2013) (listing David Zabriskie, George Hincapie, Michael Barry, Tom Danielson, Levi Leipheimer, and Christian Vande Velde as recipients of a six month suspension, beginning on October 10, 2012).

<sup>105</sup> *Lance Armstrong, Biography*, *supra* note 5.

<sup>106</sup> Macur, *Armstrong Facing Two More Lawsuits*, *supra* note 11.

<sup>107</sup> *Id.*

<sup>108</sup> Michael O'Keeffe, *Lance Armstrong Faces Another Lawsuit as Acceptance Insurance Coming After the Disgraced Cyclist for \$3M Claiming Fraud & Breach of Contract*, N.Y. DAILY NEWS (Mar. 2, 2013, 11:49 AM), <http://www.nydailynews.com/sports/i-team/disgraced-lance-faces-lawsuit-fraud-article-1.1277096>.

of WADA in 2004, the Lance Armstrong admission is arguably the most high profile revelation of the drug problem embroiling the sport. The following is an examination of the response from the cycling industry and an analysis of the potential impact Armstrong's admission will have on the future of cycling.

### ***A. Reaction from the International Cycling Union***

Shortly after his doping admission, the UCI, cycling's International Federation, announced that it welcomed Armstrong's confession as a step in repairing the damage done to cycling and restoring confidence in the sport.<sup>109</sup> Additionally, the President of UCI, Pat McQuaid, said they would embrace Armstrong's participation in a truth and reconciliation process, something Armstrong suggested during his admission on *The Oprah Winfrey Show*.<sup>110</sup>

Despite this somewhat positive reaction, McQuaid did little to reassure the public that cycling could emerge from its drug-marred past. The USADA investigation contained allegations from Armstrong's former teammates that the UCI had covered up Armstrong's positive drug test from the Tour of Switzerland in 2001 in exchange for a donation of \$100,000.<sup>111</sup> While McQuaid denied ever cov-

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<sup>109</sup> Julien Pretot, *UCI Welcomes Armstrong's Truth Commission Offer*, REUTERS (Jan. 18, 2013, 3:46 AM), <http://www.reuters.com/article/2013/01/18/us-cycling-armstrong-uci-idUSBRE90H0BY20130118>.

<sup>110</sup> *Id.*

<sup>111</sup> Robin Scott-Elliot, *Cycling: UCI Rejects any Blame for 'Greatest Crisis' over Lance Armstrong, Texan Stripped of Tour Titles but McQuaid Claims Sport May Never Escape Influence of Doping*, INDEP. (Oct. 23, 2012), <http://www.independent.co.uk/sport/general/others/cycling-uci->

ering up positive drug tests in exchange for money, he “refused to rule out accepting future donations from riders to help combat doping, despite the clear conflict of interest.”<sup>112</sup> Further, while McQuaid maintains that he is and has always been committed to combating doping in the sport, when asked if he thought cycling would ever be free from doping, he responded, “That’s a very difficult question to answer. I’d probably, to be honest with you, would say no.”<sup>113</sup>

In December 2012, the UCI set up an independent commission to address allegations in the USADA report “concerning the complicity of the UCI and its officials in doping” and “the manner in which the UCI has conducted its anti-doping program.”<sup>114</sup> The UCI set up the commission, however, without consulting WADA or USADA, and ultimately, WADA decided not to take part at all.<sup>115</sup> In January 2013, the UCI disbanded the commission since “WADA and USADA refused to cooperate with the inquiry.”<sup>116</sup> Further, McQuaid said the UCI would move forward

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rejects-any-blame-for-greatest-crisis-over-lance-armstrong-8221930.html.

<sup>112</sup> *Id.*

<sup>113</sup> *Id.*

<sup>114</sup> *UCI Disbands Independent Review Commission to Pursue Truth and Reconciliation*, VELONEWS (Jan. 29, 2013, 7:41 AM), [http://velonews.competitor.com/2013/01/news/uci-disbands-independent-review-commission\\_272944](http://velonews.competitor.com/2013/01/news/uci-disbands-independent-review-commission_272944) (quoting WADA’s press release) [hereinafter *UCI Independent Review Commission*]; Neal Rogers, *WADA chief contests UCI statements on review commission*, VELONEWS (Jan. 17, 2013), [http://velonews.competitor.com/2013/01/news/wada-chief-contests-uci-statements-on-review-commission\\_271761](http://velonews.competitor.com/2013/01/news/wada-chief-contests-uci-statements-on-review-commission_271761).

<sup>115</sup> Rogers, *supra* note 114.

<sup>116</sup> *UCI Independent Review Commission*, *supra* note 114 (quoting the UCI press release) (internal quotations omitted).

with a proposed program to give amnesty to riders who admit to doping offenses, even though such a program would breach the Code.<sup>117</sup> While the UCI renewed calls for establishing a truth and reconciliation commission in February 2013, WADA reiterated the process would have to be “under the management and control of the original independent commission”.<sup>118</sup> John Fahey, the President of WADA said that:

Only cycling can heal the problems cycling has, they're independent, they run their own sport, the same as any other sport in the world. If the members are prepared to continue to allow this lurching from one crisis to another then I guess we are going to continue to read about turmoil in that sport for some time yet. I would hope that within the root and file members of cycling there is recognition that it can't continue this way without there being some dire consequences down the track.<sup>119</sup>

Despite the serious problems plaguing the UCI's response to the current doping crisis, the UCI announced a stakeholder consultation exercise to take place February 21, 2013 through March 15, 2013 to gather stakeholder input on the future of cycling.<sup>120</sup> As part of this effort, the UCI is conducting

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<sup>117</sup> *Id.*

<sup>118</sup> John Mehaffey, *UCI Renews Call for Truth and Reconciliation Commission*, REUTERS, (Feb. 12, 2013, 8:42 AM), <http://www.reuters.com/article/2013/02/12/us-doping-wada-cycling-idUSBRE91B0V720130212>.

<sup>119</sup> *Id.*

<sup>120</sup> *Press Release: UCI Announces Stakeholder Consultation Details*, INT'L CYCLING UNION (Feb. 12, 2013),

a stakeholder survey and the results will be used to “help the UCI decide on changes and measures needed to improve the organisation, functioning and image of cycling.”<sup>121</sup>

Although it appears the UCI is taking a step in the right direction by conducting the stakeholder consultation exercise, its public reaction to the Armstrong admission and subsequent squabbling with WADA and USADA certainly does not send a positive message to the general public or the cycling community. Until it makes some serious efforts to repair the image of the sport, including working with WADA and USADA to enact policy changes, it is doubtful that athletes will make a concerted effort to stop the widespread use of performance-enhancing substances in professional cycling.

### ***B. Reaction from the United States Anti-Doping Agency***

Shortly after Armstrong’s admission, USADA called on Armstrong to testify, under oath, about the full extent of his doping activities.<sup>122</sup> Under WADA rules, if Armstrong were to cooperate with anti-doping officials, he would be eligible to have his life-

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<http://www.uci.ch/Modules/ENews/ENewsDetails.asp?id=OTA1Ng&MenuId=MTI2Mjc>.

<sup>121</sup> *Press Release: Stakeholder Consultations – Globalisation in the Spotlight*, INT’L CYCLING UNION (Mar. 15, 2013),

<http://www.uci.ch/Modules/ENews/ENewsDetails2011.asp?id=OTEwNw&MenuId=MTI2Mjc&LangId=1&BackLink=%2Ftemplates%2FUCI%2FUCI7%2FLayout.asp%3FMenuId%3DMTI2Mjc%26LangId%3D1>.

<sup>122</sup> Brent Schrottenboer, *Lance Armstrong Says No Again to USADA*, USA TODAY (Feb. 20, 2013, 9:36 PM), <http://www.usatoday.com/story/sports/cycling/2013/02/20/lance-armstrong-usada-deadline-again/1931793/>.

time suspension reduced to eight years.<sup>123</sup> Fearful of criminal and civil liability, Armstrong refused USADA's offer.<sup>124</sup> Armstrong's attorney, Tim Herman, released a statement indicating that Armstrong is still willing to cooperate and provide full details about his doping activities, but he would prefer to do so through an independent international tribunal rather than USADA.<sup>125</sup> Because cycling is an "almost exclusively European sport," Armstrong's attorney stated "Lance will not participate in USADA's efforts to selectively conduct American prosecutions that only demonize selected individuals while failing to address the 95% of the sport over which USADA has no jurisdiction."<sup>126</sup> USADA CEO, Travis Tygart, expressed disappointment with Armstrong's decision but stated that USADA is "moving forward with our investigation without him and we will continue to work closely with WADA and other appropriate and responsible international authorities to fulfill our promise to clean athletes to protect their right to compete on a drug free playing field."<sup>127</sup>

Although USADA only has jurisdiction over American cyclists, its efforts to combat doping amongst its own athletes must be commended. While much of the sport is European in nature, the U.S. can serve as a model for a cleaner, and healthier, sport. Armstrong is arguably one of the greatest cycling heroes of all time and his sanctions have the potential to serve as an example for the future of the

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<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

<sup>125</sup> *Id.*

<sup>126</sup> *Id.*

<sup>127</sup> *USADA CEO Travis T. Tygart's Response to Lance Armstrong's Decision*, U.S. ANTI-DOPING AGENCY (Feb. 20, 2013), <http://www.usada.org/media/statement2202013>.



sport. There is no doubt that Armstrong is a talented cyclist, however, young riders must learn that cheating cannot and should not be tolerated.

### ***C. Reaction from Teams and Their Sponsors***

Professional cycling teams and team sponsors have been virtually silent in regard to the Armstrong admission; however, an examination of changes in team contracting practices or treatment of riders with doping allegations may offer an insight into their reactions. Unfortunately, all of the teams and sponsors contacted for this Article did not respond to repeated requests for current rider requirements, sample contracts, or treatment of riders with doping allegations.<sup>128</sup> Instead, this analysis will focus on sample contracts and general information made available by the UCI about rider requirements.

Through their Cycling Regulations, the UCI governs all world cycling races, including the Olympic Games.<sup>129</sup> In addition, the UCI directly manages all UCI Pro Teams and Professional

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<sup>128</sup> In the course of my research for this Article, I contacted the following teams: BMC Racing; Slipstream Sports (Team Garmin-Sharpe); Velocio Sports (Team Specialized-Lululemon); Team Astana; and Team Leopard Trek. Additionally, I contacted the following team sponsors: Cervélo; Trek; Giant; and Garmin. The only response I received was from Cervélo, whom commented they were unable to share sample contracts due to confidentiality reasons, and that I should contact one of the teams they sponsor directly for rider requirements.

<sup>129</sup> See generally UCI CYCLING REGULATIONS: PRELIMINARY PROVISIONS art. 1 (Int'l Cycling Union 2010), *available at* <http://www.uci.ch/Modules/BUILTIN/getObject.asp?MenuId=MTY2NjU&ObjTypeCode=FILE&type=FILE&id=34039&LangId=1>.

Continental Teams.<sup>130</sup> To participate in world races, teams must sign joint agreements that govern the working condition of riders with the UCI, and all riders must adhere to UCI's anti-doping regulations.<sup>131</sup> It should be noted that while contracts between individual riders and teams must contain certain provisions, riders are permitted to negotiate their own individual contracts with each team.<sup>132</sup> Additionally, while the anti-doping regulations provide for rider eligibility after anti-doping violations, they do not contain provisions regarding a rider's individual contract with his or her team after such an incident.<sup>133</sup> As noted above, it appears that

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<sup>130</sup> See UCI CYCLING REGULATIONS: ROAD RACING pt. 2 (Int'l Cycling Union 2013), *available at* <http://www.uci.ch/Modules/BUILTIN/getObject.asp?MenuId=MTY2NjU&ObjTypeCode=FILE&type=FILE&id=34028&LangId=1>. UCI Pro Teams are teams of at least twenty-three riders licensed to participate in UCI World Tour events. *Id.* at 92. Professional Continental Teams are teams of at least sixteen riders licensed to participate in road races open to Professional Continental Teams. *Id.* at 135.

<sup>131</sup> See UCI CYCLING REGULATIONS: JOINT AGREEMENT (Int'l Cycling Union 2013), *available at* <http://www.uci.ch/Modules/BUILTIN/getObject.asp?MenuId=MTY2NjU&ObjTypeCode=FILE&type=FILE&id=ODEzNzM&LangId=1>. See also UCI CYCLING REGULATIONS: ANTI-DOPING pt. 14 art. 2 (Int'l Cycling Union 2012), *available at* <http://www.uci.ch/Modules/BUILTIN/getObject.asp?MenuId=MTY2NjU&ObjTypeCode=FILE&type=FILE&id=NDc3MDk&LangId=1>.

<sup>132</sup> See *generally* UCI CYCLING REGULATIONS: PRELIMINARY PROVISIONS (Int'l Cycling Union 2010), *available at* <http://www.uci.ch/Modules/BUILTIN/getObject.asp?MenuId=MTY2NjU&ObjTypeCode=FILE&type=FILE&id=34039&LangId=1>.

<sup>133</sup> See UCI CYCLING REGULATIONS: ANTI-DOPING pt. 14 (Int'l Cycling Union 2012), *available at* <http://www.uci.ch/Modules/BUILTIN/getObject.asp?MenuId=M>

many teams sever their contracts with individual riders suspended for doping allegations; however, most riders either re-join their old team or sign a contract with a new team to continue competing in world races.

Presumably, if anti-doping clauses were included in team and sponsor contracts, athletes who use performance-enhancing substances could be held liable for breach of contract or other financial sanctions. In fact, shortly after his admission, an insurance company that paid Armstrong's bonuses for winning races, as well as former sponsors sued Armstrong for unjust enrichment and breach of contract,<sup>134</sup> indicating that some contracts may in fact contain anti-doping clauses. Together with the whistleblower lawsuit against Armstrong for defrauding the federal government, he faces financial sanctions in excess of \$106 million, an amount that may seriously threaten his fortune.<sup>135</sup>

Further, if sponsors or teams were not as willing to re-sign athletes with previous doping suspensions, it could act as a deterrent in the future. A zero-tolerance policy, while harsh, can send a powerful message to other cyclists who are currently participating, or thinking about engaging, in doping programs.

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<sup>134</sup> Macur, *Armstrong Facing Two More Lawsuits*, *supra* note 11; see also Andrew Rafferty, *Justice Department: Lance Armstrong was 'Unjustly Enriched,'* NBC News (April 23, 2013, 5:49 PM), [http://usnews.nbcnews.com/\\_news/2013/04/23/17883573-justice-department-lance-armstrong-was-unjustly-enriched?lite](http://usnews.nbcnews.com/_news/2013/04/23/17883573-justice-department-lance-armstrong-was-unjustly-enriched?lite).

<sup>135</sup> *Id.*

### ***D. Reaction From Current and Former Cyclists and Spectators***

To gauge the public perception of cycling after the Armstrong admission, eight current and former cyclists and spectators of the sport took part in a survey for this Article.<sup>136</sup> About half of the respondents felt disappointed by Armstrong's admission, with one commenting that drug use in cycling is "out of control"<sup>137</sup> and another stating that it "tarnished the legitimacy of cycling as a sport; a sort of 'who is it going to be tomorrow?' sensation."<sup>138</sup> Despite these feelings, half of the individuals surveyed think that cycling can be a clean sport, albeit with better enforcement and increased penalties. The overall consensus, however, is that the UCI is not working hard enough to prevent doping in cycling. All respondents agree that pressure to use performance enhancing substances is great for professional athletes; although, that same pressure does not exist on an amateur level, since amateur cyclists are not paid and are thus not under the same intense pressure to succeed. Further, the overwhelming consensus of survey respondents felt the practice of allowing athletes that have been sanctioned for doping violations in the past to continue to compete affects the perception that the sport is fair. Nearly all of the individuals surveyed believe that the lawsuits Armstrong is facing can be a good deterrent for doping in the future, with one stating that "it's good to know there will literally be no long-term benefit from cheating"<sup>139</sup> and another commenting about the visibility of a cyclist

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<sup>136</sup> Results of survey on file with the author.

<sup>137</sup> Interview with Josh Silva (Mar. 27, 2011).

<sup>138</sup> Interview with Charles Kao (Mar. 23, 2011).

<sup>139</sup> Interview with Kevin Wilde (Mar. 25, 2011).

and the risk of losing endorsement deals.<sup>140</sup>

While the survey results are not surprising, they do reveal skepticism about the legitimacy of cycling. Sadly, the Armstrong admission only highlighted the problems facing the sport and the lax attitude of the UCI's enforcement efforts. Fortunately, it does not appear that the public has lost faith in the ability of the sport to become drug free, but to do so, governmental entities and the private business community must come together to make cheating unattractive from all angles.

### CONCLUSION

The history of cycling reveals a sordid past of drug use and persistent cheating by many of the sport's elite athletes. The desire to win and push the boundaries of human ability to achieve impossible athletic endeavors is causing riders to seek out new and better ways to cheat the system. Continued doping scandals in cycling contributed, in large part, to the creation of an independent body dedicated to eradicating the use of performance-enhancing substances in all forms of international sport. Unfortunately, despite the creation of WADA and increased efforts to ensure a fair playing field, doping scandals continue to tarnish the image of professional cycling today.

While professional cyclists are sanctioned for violating anti-doping rules on an almost regular basis, the investigation and lifetime ban of Lance Armstrong, America's greatest cycling legend, highlighted the serious problems facing the sport. The aftermath of Armstrong's admission has led to bickering amongst the sport's regulatory entities, leading the

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<sup>140</sup> Interview with Josh Silva, *supra* note 137.

general public to question whether the sport will ever recover from the events that have marred its past.

The next few years will reveal whether cycling's regulatory groups can come together and enact a comprehensive plan to finally clean up one of the most "drug-soaked" sports in the history of the modern world. However, it will take something more than increased sanctions and improved testing techniques. Private organizations that participate in the industry must also contribute to cleaning up the sport. Professional teams should enact zero-tolerance policies and refuse to sign riders with a history of drug abuse.

Additionally, team sponsors should include stern anti-doping clauses in their contracts, so that riders will face large financial penalties for cheating. Perhaps cyclists will think twice about using performance-enhancing substances if their financial futures are put in serious jeopardy. The outcome of the many private lawsuits facing Lance Armstrong may prove to the cycling community that financial sanctions are a powerful deterrent. Maybe then, the industry will finally come together and work to shut down the "pharmacy on wheels."



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*Article*

**Don't Get SLAMmed into Nefer  
Nefer Land: Complaints in the Civil  
Forfeiture of Cultural Property**

*Victoria A. Russell\**

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\* The author received a Master of Arts in Art History with a concentration in Egyptian Art & Archaeology from the University of Memphis in 2007. The author would like to thank Dr. Stephen P. Harvey. Not only did his hieroglyphs classes foster a life-long love of Ancient Egypt in the author, he also brought the current matter to her attention. The author also thanks Professor Jennifer Kreder for introducing her to the fascinating world of cultural property and setting her on the right path to research this matter. Finally, the author would like to thank Professors Tracy Reilly and Eric Chaffee, whose comments much improved this work.



### ***Abstract***

The Saint Louis Art Museum, known as SLAM, acquired the mask of Ka-Nefer-Nefer in 1998. Eight years later, the Egyptian Supreme Council of Antiquities called for its return on the grounds that it had been stolen from the Egyptian Museum in Cairo. SLAM refused. In 2011, the case went before the United States District Court for the Eastern District of Missouri to determine the ownership of the mask. Perhaps to the surprise of many, the court decided that the mask belongs in Saint Louis.

This Article will explain how this case was properly decided, albeit on a legal technicality. It will also discuss the law surrounding different kinds of repatriation claims, and how foreign patrimony laws apply within the United States legal system. Finally, it will discuss the ramifications of the *Ka-Nefer-Nefer* decision. Given that the black market for art is estimated to be the third largest in the world, behind drug trafficking and arms dealing, proper understanding of the United States laws in the field of art law is important.

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## INTRODUCTION

Collectors and museums have favored Egyptian antiquities since the time of the ancient Greeks.<sup>1</sup> In the fifth century BC, the Greek historian Herodotus visited Egypt and sang its praises in his work, *The Histories*.<sup>2</sup> The Roman Army took so many Egyptian obelisks during the Classical period that today more obelisks stand in Rome than in Egypt.<sup>3</sup> In the eighteenth century, Napoleon's Army collected many objects from Egypt, including the famous Rosetta Stone.<sup>4</sup> Europeans were so enthralled by Egyptian motifs that they decorated entire rooms in an

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<sup>1</sup> See William Kelly Simpson, *Preface* to W. STEVENSON SMITH, *THE ART AND ARCHITECTURE OF ANCIENT EGYPT*, at vii-viii (1998) (discussing the scholars, museums, and excavations devoted to ancient Egypt in the last decades of the twentieth century); John Marincola, *Introduction* to HERODOTUS, *THE HISTORIES*, at xiv (Aubrey de Sélincourt, trans., Penguin Books 1996) (450-420 BC) (discussing Greek culture's fascination with Egypt).

<sup>2</sup> Marincola, *supra* note 1, at xiv.

<sup>3</sup> *Stolen Treasures*, SUPREME COUNCIL OF ANTIQUITIES, [http://www.sca-egypt.org/eng/RST\\_MISS\\_MP.htm](http://www.sca-egypt.org/eng/RST_MISS_MP.htm) (last visited Jan. 20, 2014).

<sup>4</sup> MARJORIE CAYGILL, *THE BRITISH MUSEUM: A-Z COMPANION* 272 (1999). When the British defeated the Napoleonic armies, the French ceded the stone to King George III in the Treaty of Alexandria (1801). King George placed it in the British Museum, where it has remained ever since. *Id.*

Egyptian style and collectors sought Egyptian artifacts.<sup>5</sup>

Smuggling artifacts out of Egypt occurs even today, and looting has increased since the Egyptian Revolution in February 2011.<sup>6</sup> Because of this history of looting, the Supreme Council of Antiquities in Egypt has called for European and American museums to return many objects to Egypt.<sup>7</sup> Recognizing the importance of protecting cultural heritage, the United Nations General Assembly passed a resolution in 1993 calling for the restitution of cultural treasures to their countries of origin.<sup>8</sup>

Archaeological looting, a form of art theft and a major cause of unprovenanced<sup>9</sup> antiquities, is a se-

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<sup>5</sup> See T.G.H. James, *Formation and Growth of the Egyptian Collections of the British Museum*, in EDNA R. RUSSMAN, ETERNAL EGYPT: MASTERWORKS OF ANCIENT ART FROM THE BRITISH MUSEUM 49 (2001) (discussing the interest in Egyptian artifacts and Egypt); KRISTINA HERRMANN FIORE, GUIDE TO THE GALLERIA BORGHESI 52 (2008) (discussing the Egyptian Room at the Galleria Borghese and other Egyptian-themed rooms in Rome).

<sup>6</sup> See Carol Redmount, *El-Hibeh: Archaeological Site Looted*, AMERICAN RESEARCH CENTER IN EGYPT (Mar. 2012), <http://www.arce.org/news/2012/03/u76/El-Hibeh-Archaeological-Site-Looted>.

<sup>7</sup> The Supreme Council of Antiquities issued a general statement asking people to report any information about possibly looted artifacts. They have also approached various museums and collectors about specific artifacts in those collections. See *Stolen Treasures*, *supra* note 3.

<sup>8</sup> 1 LEONARD D. DUBOFF, CHRISTIE O. KING, MICHAEL D. MURRAY, THE DESKBOOK OF ART LAW B-6 (2d ed. Supp. 2005).

<sup>9</sup> Provenance is an art historical term defined as “[t]he record of all known previous ownerships and locations of a work of art (as given in a *catalogue raisonné*).” EDWARD KUCIE-SMITH, THE THAMES AND HUDSON DICTIONARY OF ART TERMS 154 (1984). Thus, an “unprovenanced” work is one in which the information about previous ownerships and locations is unknown.

rious problem.<sup>10</sup> The black market for art has been ranked the third highest in volume, just under drug trafficking and the arms trade.<sup>11</sup> More recently, the International Foundation for Art Research (IFAR) and the United Nations Educational, Social and Cultural Organization (UNESCO) estimated that it is the second most valuable illicit business.<sup>12</sup> While in many cases, art theft has ties to organized crime,<sup>13</sup> in some cases thieves take advantage of the relatively unregulated art market to sell to collectors and auction houses.<sup>14</sup> The result is that many unprovenanced artifacts end up in museums.<sup>15</sup> Some studies of auction house catalogues indicate that 85 to 90% of antiquities on the market have no associated provenance.<sup>16</sup> Other studies of private collections on loan to prominent museums indicate that only 10% of the antiquities had provenance.<sup>17</sup> Thus, the repatriation of antiquities has significant ramifications for museums, as many of their objects may be affected.

With these facts in mind, any collector who is

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<sup>10</sup> Patty Gerstenblith, *Acquisition and Deacquisition of Museum Collections and the Fiduciary Obligations of Museums to the Public*, 11 CARDOZO J. INT'L & COMP. L. 409, 446 (2003).

<sup>11</sup> Onimi Erekosima & Brian Koosed, *Intellectual Property Crimes*, 41 AM. CRIM. L. REV. 809, 849 (2004).

<sup>12</sup> 1 LEONARD D. DUBOFF, CHRISTY O. KING & MICHAEL D. MURRAY, *THE DESKBOOK OF ART LAW C-3* (2d ed. Supp. 2005). IFAR reports that narcotics trafficking is the first. Marion P. Forsyth, *International Cultural Property Trusts: One Response to the Burden of Proof Challenges in Stolen Antiquities Litigation*, 8 CHI. J. INT'L L. 197, 197 (2007).

<sup>13</sup> 1 DUBOFF, KING & MURRAY, *supra* note 12, at C-4.

<sup>14</sup> Gerstenblith, *supra* note 10, at 446.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 447.

<sup>17</sup> Derek Fincham, *Towards A Rigorous Standard for the Good Faith Acquisition of Antiquities*, 37 SYRACUSE J. INT'L L. & COM. 145, 154 (2010).

presented with an Egyptian artifact for sale should be diligent in determining its provenance before acquiring it. It may not only be stolen from a collection, the artifact might also have been taken illegally from its country of origin.<sup>18</sup>

In one such ongoing case, the Saint Louis Art Museum (SLAM) acquired the Ka-Nefer-Nefer<sup>19</sup> mummy mask in 1998.<sup>20</sup> Eight years later, around 2006, the Egyptian government requested the mask's return and SLAM refused.<sup>21</sup>

SLAM then took the preemptive step of filing for declaratory judgment on February 15, 2011.<sup>22</sup>

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<sup>18</sup> See 2 LEONARD D. DUBOFF, CHRISTIE O. KING & MICHAEL D. MURRAY, *THE DESKBOOK OF ART LAW* U-10 (2d ed. Supp. 2006).

<sup>19</sup> The transliteration of the Egyptian hieroglyphs for this name reads, "*k3 nfr nfr*." In English, the syllables would be ka, nefer, and nefer. "Ka" means "spirit" or "soul," and "nefer" means "beautiful" or "good." The name thus means, "doubly beautiful soul" (translation by the author). The name can be written in English in numerous ways, with different capitalization and hyphenation. The following are some examples: Ka-nefer-nefer (as on both museums' websites), Ka Nefer Nefer (as in various pleadings in the case), and Ka-Nefer-Nefer (as in the case name and opinion). To avoid confusion, the name has been standardized throughout this article to Ka-Nefer-Nefer.

<sup>20</sup> Complaint for Declaratory Judgment at 5, Art Museum Subdist. of the Metro. Zoological Park & Museum Dist. of the City of St. Louis & the Cnty. of St. Louis v. United States, No. 4:11CV0091, 2011 WL 903377, at \*3 (E.D. Mo. Mar. 31, 2012), ECF No. 1 (stating that the museum bought the artifact from Phoenix Ancient Art, S.A. of Geneva, Switzerland).

<sup>21</sup> Verified Complaint for Forfeiture at 3, United States v. Ka-Nefer-Nefer, No. 4:11CV00504, 2011 WL 10714760, \*2 (E.D. Mo. Mar. 16, 2012), ECF No. 1.

<sup>22</sup> Art Museum Subdist. of the Metro. Zoological Park & Museum Dist. of the City of St. Louis & the Cnty. of St. Louis v. United States, No. 4:11CV291 HEA, 2012 WL 1107736, at \*1.

The District Court for the Eastern District of Missouri stayed the declaratory judgment action, “pending the outcome of the civil forfeiture action in *United States v. Mask of Ka-Nefer-Nefer*.”<sup>23</sup>

In response, the United States government filed for civil forfeiture on March 16, 2011.<sup>24</sup> However, the District Court granted SLAM’s 12(b)(6) motion to dismiss for failure to state a claim.<sup>25</sup> Consequently, the U.S. government filed a notice of appeal on June 29, 2012 and the Eighth Circuit heard oral arguments on January 13, 2014.<sup>26</sup>

This Article will address the legal issues involved in deciding this case. Part I will address the law pertinent to civil forfeiture, and it will explain how the courts have used this remedy with respect to stolen art. It will also explore the National Stolen Property Act (NSPA), codified at 18 U.S.C. §§ 2314-2315, and the Egyptian patrimony laws, No. 215 and No. 117. Part II will give a detailed analysis of the record of the case and the procedural history as it stands. Part III will analyze whether the court properly dismissed the case and whether the proposed amended complaint would have survived a motion to dismiss. The final Part will conclude the Article with the recommendation that SLAM is legally entitled to the mask, and makes a recommendation

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(E.D. Mo. Mar. 31, 2012) [hereinafter *SLAM Declaratory Judgment case*].

<sup>23</sup> *Id.* at \*3.

<sup>24</sup> Verified Complaint for Forfeiture, *supra* note 21, at 1.

<sup>25</sup> *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA, 2012 WL 1094652, at \*1 (E.D. Mo. Mar. 31, 2012) *recons. denied*, No. 4:11CV504 HEA, 2012 WL 1977242 (E.D. Mo. June 1, 2012).

<sup>26</sup> Notice of Appeal at 1, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 (E.D. Mo. June 29, 2012), ECF No. 55; <http://media.ca8.uscourts.gov/webcal/jan14stl.pdf>, 6

for better ways to write a complaint of this nature.

## I. APPLICABLE LAW

This Article will primarily address the U.S. government's civil forfeiture action. The action is brought under the Customs Duties statute, 19 U.S.C. § 1595a.<sup>27</sup>

Generally, cases citing this law as grounds for forfeiture allege another violation of law concomitant with it.<sup>28</sup> Some examples have included the NSPA, 18 U.S.C. § 545, and the patrimony laws of various foreign nations.<sup>29</sup> This section will examine these statutes, and the Egyptian patrimony laws that are applicable to the Ka-Nefer-Nefer case.

### A. *Civil Forfeiture: 19 U.S.C. § 1595a*

Forfeiture is a procedure that allows the United States government to seize items that exist in violation of the law.<sup>30</sup> Forfeiture can be punitive or remedial.<sup>31</sup> When the government proceeds against an

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<sup>27</sup> See 77 AM. JUR. PROOF OF FACTS 3D, *Proof of a Claim Involving Stolen Art Antiquities* § 19 (2004) (noting, for example, that the Cultural Property Implementation Act is a customs law because it is in Title 19 "Customs Duties," not in Title 18, "Crimes and Criminal Procedure.").

<sup>28</sup> See *United States v. An Antique Platter of Gold*, 184 F.3d 131, 134 (2d Cir. 1999) (alleging violation of 18 U.S.C. § 545); *United States v. An Original Manuscript Dated November 19, 1778*, No. 96 CIV. 6221 (LAP), 1999 WL 97894, at \*1 (S.D.N.Y. Feb. 22, 1999) (alleging a violation of the CPIA); *United States v. Portrait of Wally*, 663 F. Supp. 2d 232, 250 (S.D.N.Y. 2009) (alleging a violation of the NSPA).

<sup>29</sup> National Stolen Property Act, 18 U.S.C. §§ 2314-2315 (2012); 18 U.S.C. § 545 (2012) (titled "Smuggling goods into the United States"); *United States v. One Lucite Ball Containing Lunar Material*, 252 F. Supp. 2d 1367, 1377 (S.D. Fla. 2003).

<sup>30</sup> *United States v. Daccarett*, 6 F.3d 37, 46 (2d Cir. 1993).

<sup>31</sup> *United States v. Bajakajian*, 524 U.S. 321, 332 (1998).

individual in a criminal proceeding, the forfeiture is punitive.<sup>32</sup> However, if the government sues the actual property, as in a civil case, the forfeiture is not intended as punishment of an individual for an actual offense.<sup>33</sup> Rather, when the government seizes an artifact in violation of a customs statute and launches a proceeding against the object itself, the court considers the action remedial.<sup>34</sup>

In a civil forfeiture case, the government files a verified complaint against the property (*in rem*) under the notion that the property itself is the “wrongdoer”.<sup>35</sup> The owner then files an official claim to the property with the court.<sup>36</sup> Thus, a typical civil forfeiture suit will involve three parties: the government, the *in rem* property, and the claimant.

A statute allowing for this procedure is 19 U.S.C. § 1595a.<sup>37</sup> This customs statute states in part, “[m]erchandise which is introduced or attempted to be introduced into the United States contrary to law shall be seized and forfeited if it is stolen, smuggled, or clandestinely imported or introduced.”<sup>38</sup> While examining this law, the Second Circuit stated that the statute only requires, “that the property in question be introduced into the United States illegally, unlawfully, or in a manner conflicting with estab-

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<sup>32</sup> *Id.* The *Bajakajian* case is an example of a punitive forfeiture; there the government proceeded against the individual criminally and then obtained forfeiture of the object (in this case, currency) to punish the convicted.

<sup>33</sup> *Id.* at 331.

<sup>34</sup> *United States v. Davis*, 648 F.3d 84, 96 (2d Cir. 2011); *United States v. An Antique Platter of Gold*, 184 F.3d 131, 140 (2d Cir. 1999).

<sup>35</sup> *Daccarett*, 6 F.3d at 46.

<sup>36</sup> FED. R. CIV. P. G(5)(a)(i).

<sup>37</sup> 19 U.S.C. § 1595a (2012).

<sup>38</sup> *Id.*



lished law.”<sup>39</sup> Thus, the government can seize cultural property in a civil forfeiture action if someone imports that cultural property contrary to a law.<sup>40</sup>

One question of significant importance is what burden of proof is necessary for the government to seize the object.<sup>41</sup> Traditionally, the government only needed to show probable cause to seize property in a forfeiture.<sup>42</sup> The burden of proof is established by 19 U.S.C. § 1615, which states, “the burden of proof shall lie upon such claimant.”<sup>43</sup> However, the Civil Asset Forfeiture Reform Act of 2000 (CAFRA) heightened the burden on the government to a preponderance of the evidence.<sup>44</sup> Nevertheless, as late as 2003, courts have stated that the lesser standard of probable cause was sufficient in civil forfeiture proceedings under a customs statute, and the burden remained upon the claimant.<sup>45</sup> Furthermore, circumstantial evidence is sufficient to determine probable cause.<sup>46</sup>

The Supplemental Rules for Admiralty and Maritime or Asset Forfeiture Actions determine the

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<sup>39</sup> *Davis*, 648 F.3d at 89.

<sup>40</sup> 19 U.S.C. § 1595a.

<sup>41</sup> *United States v. Daccarett*, 6 F.3d 37, 46 (2d Cir. 1993) (noting the concern with the constitutional safeguards for innocent purchasers, given the ease with which the government can seize property).

<sup>42</sup> Jennifer A. Kreder, *The Choice Between Civil and Criminal Remedies in Stolen Art Litigation*, 38 VAND. J. TRANSNAT'L L., 1199, 1232 (2005).

<sup>43</sup> 19 U.S.C. § 1615 (2012).

<sup>44</sup> Civil Asset Forfeiture Reform Act, 18 U.S.C. § 983(c)(1) (2012); Kreder, *supra* note 42, at 1231.

<sup>45</sup> *United States v. One Lucite Ball Containing Lunar Material*, 252 F. Supp. 2d 1367, 1377 n.4 (S.D. Fla. 2003) (noting 18 U.S.C. § 983(i) specifically excludes actions under Title 19).

<sup>46</sup> *Id.* at 1378.

particularity with which the complaint must plead probable cause.<sup>47</sup> For an *in rem* action, the government must state “circumstances . . . with such particularity that the defendant or claimant will be able, without moving for a more definite statement, to commence an investigation of the facts and to frame a responsive pleading.”<sup>48</sup> For an asset forfeiture, the government must “state sufficiently detailed facts to support a reasonable belief that the government will be able to meet its burden of proof at trial.”<sup>49</sup>

There are two possible defenses to this statute.<sup>50</sup> The statute of limitations for civil forfeiture actions under 19 U.S.C. § 1595a is provided by 19 U.S.C. § 1621.<sup>51</sup> This section states that barring any concealment, no one can bring an action five years after the offense was committed, or more than two years after the property was discovered.<sup>52</sup> Another defense that claimants often use in cultural heritage cases is the doctrine of laches.<sup>53</sup> This doctrine bars a claim if the plaintiff

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<sup>47</sup> United States v. Mask of Ka-Nefer-Nefer, No. 4:11CV504 HEA, 2012 WL 1094658, at \*1 (E.D. Mo. Mar. 31, 2012) *recons. denied*, No. 4:11CV504 HEA, 2012 WL 1977242 (E.D. Mo. June 1, 2012).

<sup>48</sup> FED. R. CIV. P. E(2)(a).

<sup>49</sup> FED. R. CIV. P. G(2)(f).

<sup>50</sup> 19 U.S.C. § 1621 (2012); Gerstenblith, *supra* note 10, at 442-3.

<sup>51</sup> 19 U.S.C. § 1621. “No suit or action to recover any duty under section 1592(d), 1593a(d) of this title, or any pecuniary penalty or forfeiture of property accruing under the customs laws shall be instituted unless such suit or action is commenced within five years after the time when the alleged offense was discovered, or in the case of forfeiture, within 2 years after the time when the involvement of the property in the alleged offense was discovered, whichever was later”

<sup>52</sup> *Id.*

<sup>53</sup> Gerstenblith, *supra* note 10, at 442-3.

unreasonably delayed in bringing the claim and the defendant suffers prejudice as a result of this delay.<sup>54</sup>

The government has successfully seized objects of cultural property under § 1595a in two prominent cases.<sup>55</sup> In the first case, the Southern District of Florida held that the forfeiture of a moon rock was valid because it was stolen from Honduras and imported into the United States.<sup>56</sup> Honduran law required an act of Congress to authorize the alienation of the moon rock, and because they found no legislation to this effect, the court held that the rock was subject to forfeiture.<sup>57</sup>

In the second case, the government successfully seized a manuscript that had been stolen from the National Archives in Mexico and imported into the

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<sup>54</sup> *Id.*

<sup>55</sup> *United States v. One Lucite Ball Containing Lunar Material*, 252 F. Supp. 2d 1367, 1369 (S.D. Fla. 2003); *United States v. An Original Manuscript Dated November 19, 1778*, No. 96 CIV. 6221 (LAP), 1999 WL 97894, at \*1 (S.D.N.Y. Feb. 22, 1999).

<sup>56</sup> *Lucite Ball*, 252 F. Supp. 2d at 1369. The complaint stated that the Consul General of Honduras had “identified the defendant property as patrimony of the Republic of Honduras and has stated that pursuant to Honduran law the defendant property could not be legally sold, or conveyed nor removed from Honduras unless expressly authorized by action of the National Congress.” Verified Complaint for Forfeiture *in rem* at 9, *Lucite Ball*, 252 F. Supp. 2d 1367 (No. 01-0116 CIV JORDAN), 2001 WL 34841870, at \*4, ECF No. 1. A court appointed expert on Honduran law determined that the Honduran government owned the moon rock when President Nixon donated it in 1973. *Lucite Ball*, 252 F. Supp. 2d at 1372. Honduras has had several regime changes since 1973, but the court deemed this immaterial under Honduran law; the moon rock was the patrimony of the state. *Id.* at 1373.

<sup>57</sup> *Lucite Ball*, 252 F. Supp. 2d at 1375-76 (S.D. Fla. 2003).

United States.<sup>58</sup> In that case, the Southern District of New York determined that the government made its showing of probable cause because Archives documented the manuscript as part of its collection and 19 U.S.C. § 2607 makes it a crime to import an item belonging to the inventory of a foreign museum after the effective date of that chapter.<sup>59</sup>

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<sup>58</sup> *Original Manuscript*, No. 96 CIV. 6221 (LAP), 1999 WL 97894, at \*1 (S.D.N.Y. Feb. 22, 1999). The National Archives in Mexico City documented the manuscript as belonging to its collection in 1993. *Id.* The manuscript was purchased at a flea market for approximately \$300. *Id.* It was imported into the United States, where it was sold in a hotel room for \$16,000. *Id.* at \*2. Later, a dealer in rare manuscripts saw the manuscript when Sotheby's had it for auction and notified the Mexican National Archives that the manuscript might belong to them. *Id.* at \*2. The National Archives confirmed it was missing from its collection and requested its return from the United States. *Id.* at \*2. The court also found that the claimant was not an innocent owner given the suspicious nature of the transaction. *Id.* at \*7. Therefore, the manuscript was subject to forfeiture. *Id.* at \*1.

<sup>59</sup> *Id.* at \*6. In 1970, United Nations Educational, Scientific and Cultural Organization (UNESCO) held the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property. 1 DUBOFF, KING & MURRAY, *supra* note 8, at B-82. The convention called for the signatory nations to prohibit the importation an object of cultural heritage that was stolen from another signatory country. *Id.* at B-82. The United States adopted the Convention in 1983. *Id.* at B-83. The resulting statute became known as the Cultural Property Implementation Act, or the CPIA, codified at 19 U.S.C. §§ 2601 et seq. *Id.* A relevant part of the Act reads:

No article of cultural property documented as appertaining to the inventory of a museum or religious or secular public monument or similar institution in any State Party which is stolen from such institution after the effective date of this chapter, or after the date of entry into force

***B. 18 U.S.C. §§ 2314-2315: National Stolen Property Act***

Congress signed the National Stolen Property Act (NSPA) into legislation in 1934 in order to expand the National Motor Vehicle Theft Act to include stolen property other than automobiles.<sup>60</sup> The Act prevents the transportation of property valued over \$5,000 across state lines.<sup>61</sup> The NSPA was amended in 1986 to include transportation over the United States border and added the word “possession” to eliminate the defense that the property was no longer in interstate commerce and that the federal government could not prosecute it under the Commerce Clause.<sup>62</sup> The passage of the NSPA pertinent to the recovery of stolen art reads:

Whoever receives, possesses, conceals, stores, barter, sells, or disposes of any goods, wares, or merchandise, securities, or money of the value of \$5,000 or more, or pledges or accepts as security for a loan any goods, wares, or merchandise, or securities, of the value of \$500 or more, which have crossed a State or United States boundary after being stolen, unlawfully converted, or taken, knowing the same to have been stolen, unlawfully converted, or taken . . . shall be fined under this title or imprisoned

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of the Convention for the State Party, whichever date is later, may be imported into the United States.

Cultural Property Implementation Act, 19 U.S.C. § 2607 (2012).

<sup>60</sup> Stephen K. Urice, *Between Rocks and Hard Places: Unprovenanced Antiquities and the National Stolen Property Act*, 40 N.M. L. REV. 123, 133 (2010).

<sup>61</sup> 18 U.S.C. § 2314.

<sup>62</sup> Urice, *supra* note 60, at 134.

not more than ten years, or both.<sup>63</sup>

In the text itself, the NSPA does not actually define what the term “stolen” means for purposes of the Act. The Ninth Circuit held in *Hollinshead* that the violation of a country’s patrimony law can mean stolen.<sup>64</sup> The Fifth Circuit held in *McClain* that works of art imported in violation of a country’s patrimony law constitutes “stolen” property under the NSPA.<sup>65</sup> In *McClain*, the court convicted five individuals of stealing Pre-Columbian artifacts from Mexico and trying to sell them in the United States to an undercover FBI agent.<sup>66</sup> After tracing the history of laws in Mexico concerning cultural property, the court noted that Mexico did not enact legislation claiming ownership of cultural property until 1972.<sup>67</sup> The court held “a declaration of national ownership is necessary before illegal exportation of an article can be considered theft, and the exported article considered ‘stolen,’ within the meaning of the National Stolen Property Act.”<sup>68</sup> This holding became known as the McClain Doctrine.<sup>69</sup>

However, the Second Circuit has held that in addition to enacting a patrimony law, the country of origin must enforce that law within its borders before an object can be considered stolen if it is brought into

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<sup>63</sup> 18 U.S.C. § 2315.

<sup>64</sup> *United States v. Hollinshead*, 495 F.2d 1154, 1156 (9th Cir. 1974).

<sup>65</sup> *United States v. McClain*, 545 F.2d 988, 1000-01 (5th Cir. 1977).

<sup>66</sup> *Id.* at 991-92

<sup>67</sup> *Id.* at 1000.

<sup>68</sup> *Id.* at 1000-01 (citing *Hollinshead*, 495 F.2d 1154).

<sup>69</sup> Adam Goldberg, Comment, *Reaffirming McClain: The National Stolen Property Act and the Abiding Trade in Looted Cultural Objects*, 53 UCLA L. REV. 1031, 1042 (2006).

the United States.<sup>70</sup> The court concluded, “the NSPA applies to property that is stolen from a foreign government, where that government asserts actual ownership of the property pursuant to a valid patrimony law.”<sup>71</sup> The court further noted that there were “*no exceptions*” for private ownership for antiquities discovered in Egypt after the effective date of the relevant patrimony law, Egyptian Law No. 117 of 1983.<sup>72</sup>

In an earlier opinion, the Second Circuit established that the law allegedly violating NSPA must claim ownership, not merely regulate the items.<sup>73</sup> In *Long Cove Seafood*, the court found that individuals who took clams in violation of an environmental law across state borders were not guilty under the NSPA because the environmental law only intended to regulate the clams.<sup>74</sup> New York did not assert a possessory interest in the clams, as evidenced by the fact the government did not assert a violation of the state larceny statute.<sup>75</sup> Equally important, New York did not assume liability for any attacks by the wild animals regulated under the relevant environmental laws, whereas possessors of animals in New York were liable for attacks.<sup>76</sup> Thus, the environmental law did not sufficiently describe state ownership of the clams for the court to consider them “stolen” under the NSPA.<sup>77</sup>

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<sup>70</sup> United States v. Schultz, 333 F.3d 393, 416 (2d Cir. 2003).

<sup>71</sup> *Id.*

<sup>72</sup> *Id.* at 406. In *Schultz*, two individuals looted Egyptian antiquities from archaeological sites and sold them as part of the fictitious “Thomas Alcock Collection.” *Id.* at 396.

<sup>73</sup> United States v. Long Cove Seafood, Inc., 582 F.2d 159, 165 (2d Cir. 1978).

<sup>74</sup> *Id.*

<sup>75</sup> *Id.*

<sup>76</sup> *Id.*

<sup>77</sup> *Id.*

The government has used the NSPA in connection with the civil forfeiture statute in several situations. The government first asserted a claim of civil forfeiture against a work of art under the NSPA in 1999, but the court ultimately decided the case on other grounds.<sup>78</sup> In cases where the NSPA has been the reason for forfeiture, the record clearly identified a particular thief. In *Portrait of Wally*, the Second Circuit determined that the government met its burden of showing probable cause for forfeiture because it had several letters indicating that a Nazi official had taken a painting without providing compensation to the owner.<sup>79</sup> In another decision by the Sec-

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<sup>78</sup> Ian M. Goldrich, Comments, *Balancing the Need for Repatriation of Illegally Removed Cultural Property with the Interests of Bona Fide Purchasers: Applying the UNIDROIT Convention to the Case of the Gold Phiale*, 23 FORDHAM INT'L L.J. 118, 121 (1999). In *Antique Platter*, the claimant purchased an Italian artifact from Sicily in 1991 for \$1.2 million. *United States v. An Antique Platter of Gold*, 184 F.3d 131, 133 (2d Cir. 1999). On the customs form, the claimant listed the Phiale's country of origin as Switzerland and the purchase price as \$250,000. *Id.* The Italian patrimony law stated that all archaeological items belonged to Italy unless the owner could prove private ownership before 1902. *Id.* at 134. The Italian government contacted the United States and requested the Phiale's repatriation. *Id.* The government filed an *in rem* civil forfeiture action, asserting both a customs violation under 18 U.S.C. § 545 and the NSPA. *Id.* False statements are forbidden on customs forms. 18 U.S.C. § 545. The court determined that claimant's importation of the Phiale violated 18 U.S.C. § 545 because of the claimant misrepresented both the price and the country of origin on the customs form. *Antique Platter*, 184 F.3d at 134. The court chose not to address the NSPA allegation. *Id.*

<sup>79</sup> *United States v. Portrait of Wally*, 663 F. Supp. 2d 232, 256 (S.D.N.Y. 2009). The court also stated that the purchaser did not do a good faith provenance search when he relied solely on the seller's word even though he knew a Jewish woman claimed



ond Circuit, a witness testified to seeing the thief carry the painting out of the museum.<sup>80</sup>

### ***C. Egyptian Patrimony Laws No. 215 and No. 117***

The Republic of Egypt enacted Law No. 215 in 1951.<sup>81</sup> Article 4 provided that all immovable or movable antiquities or ancient land belonged to the Republic of Egypt, unless it belonged to a wakf (religious entity) or was private property under the law.<sup>82</sup> Article 22 outlined the exceptions under which a person may privately own an antiquity.<sup>83</sup> These exceptions included (1) antiquities found prior to the institution of Law No. 215, in antiquities markets or private collections; (2) antiquities given to the finder by the Egyptian government; (3) antiquities the Egyptian government sold; (4) antiquities imported by a stranger; (5) immovable antiquities; and (6) antiquities sold by museums.<sup>84</sup>

Egyptian Patrimony Law No. 117 replaced

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the portrait belonged to her family. *Id.* at 267. The court also insisted that it was not enough that the painting was stolen when it entered the country, but that the government must show that the museum in question knew it was stolen when it was imported. *Id.* at 269. The court also rejected the notion that laches could apply to a civil forfeiture action. *Id.* at 275.

<sup>80</sup> *United States v. Davis*, 648 F.3d 84, 88 (2d Cir. 2011). In *Davis*, the government brought a civil forfeiture action under 19 U.S.C. § 1595a and the NSPA when Sotheby's attempted to auction the Pissarro painting, *Le Marche*, after it had been stolen from a French museum in 1981. *Id.* at 87. This case determined that "stolen" meant the object was stolen at the time of importation to the US. *Id.* at 91. The court also established that there is no innocent owner defense. *Id.* at 95.

<sup>81</sup> Law No. 215 of 1951 (Law on the Protection of Antiquities), 31 October 1951, p. 1 (Egypt).

<sup>82</sup> *Id.*

<sup>83</sup> *Id.* at 5.

<sup>84</sup> *Id.* at 5.

Law No. 215 in 1983.<sup>85</sup> Law No. 3 amended Law No. 117 in 2010.<sup>86</sup> Article 24 of Law No. 117 expressly provides that anyone who finds an antiquity in Egypt must turn it over to authorities within 48 hours as it belongs to the Egyptian government, and Law No. 3 did not amend this provision.<sup>87</sup> The sale of antiquities is forbidden by Article 8; as amended by Law No. 3, it also allows the board of directors the ability to restitute artifacts for compensation.<sup>88</sup> Article 35 claims ownership of any find made during an archaeological expedition made by foreigners, and removes the 1983 provision that the Egyptian government may give excavators some of their finds.<sup>89</sup> Egyptian authorities will fine anyone who smuggles an artifact out of Egypt between 100,000 and 1,000,000 Egyptian Pounds, and that the object will be forfeited to the Egyptian authorities, pursuant to Article 41.<sup>90</sup>

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<sup>85</sup> Law No. 117 of 1983 (Law on the Protection of Antiquities), *Al-Jarida Al-Rasmiyya*, 11 August 1983, p. 4, (Egypt).

<sup>86</sup> Law No. 117 of 1983 as Amended by Law No. 3 of 2010 (Promulgating the Antiquities Protection Law), 14 February 2010, p. 8 (Egypt).

<sup>87</sup> Law No. 117 of 1983 (Promulgating the Antiquities Protection Law), 11 August 1983, p. 17, (Egypt); Law No. 117 of 1983 as Amended by Law No. 3 of 2010 (Promulgating the Antiquities Protection Law), 14 February 2010, p. 22 (Egypt).

<sup>88</sup> Law No. 117 of 1983 as Amended by Law No. 3 of 2010 (Promulgating the Antiquities Protection Law), 14 February 2010, p. 15 (Egypt).

<sup>89</sup> *Id.* at p. 28; Law No. 117 of 1983 (Promulgating the Antiquities Protection Law), 11 August 1983, p. 24-25, (Egypt).

<sup>90</sup> Law No. 117 of 1983 as Amended by Law No. 3 of 2010 (Promulgating the Antiquities Protection Law), 14 February 2010, p. 32 (Egypt). This is a substantial increase from the 1983 amounts, which set the fine between 5,000 and 50,000 Egyptian pounds. Law No. 117 of 1983 (Promulgating the Antiquities Protection Law), 11 August 1983, p. 29 (Egypt).

## II. UNITED STATES V. KA-NEFER-NEFER

In 1952, an expedition of the Egyptian Antiquities Service working inside the funerary enclosure of Third Dynasty Pharaoh Sekhemket excavated the Nineteenth Dynasty mat burial of the noblewoman Ka-Nefer-Nefer.<sup>91</sup>



***Fig 1. Mask of Ka-Nefer-Nefer<sup>92</sup> and Profile<sup>93</sup>***

Her mummy mask is made of linen, wood, plaster, resin, and it is painted, gilded, and inlaid with glass.<sup>94</sup> It depicts the face and upper torso of a woman, and it measures approximately 21 and 1/16 inch-

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<sup>91</sup> Verified Complaint for Forfeiture, *supra* note 21, at 2.

<sup>92</sup> *The Mask of Kanefernefer*, SUPREME COUNCIL OF ANTIQUITIES, [http://www.sca-egypt.org/eng/RST\\_005Kanefernefer.htm](http://www.sca-egypt.org/eng/RST_005Kanefernefer.htm) (last visited Mar. 1, 2014).

<sup>93</sup> Photograph of the profile of the Mummy Mask of the Lady Ka-nefer-nefer, SAINT LOUIS ART MUSEUM, [http://www.slam.org/eMuseum/media/full/191998\\_2.jpg](http://www.slam.org/eMuseum/media/full/191998_2.jpg) (last visited Mar. 1, 2014).

<sup>94</sup> *Id.*

es by 14 and 9/16 inches by 9 and 3/4 inches.<sup>95</sup>

The provenance of the mask after its excavation is in dispute.<sup>96</sup> The Government alleged in its verified complaint that Egyptian Antiquities Service stored the mask at Saqqara until 1959, when it shipped the mask to the Egyptian Museum in Cairo for an exhibition in Tokyo that never reached fruition.<sup>97</sup> In 1962, the Egyptian Museum shipped the mask back to Saqqara in box number fifty-four.<sup>98</sup> The Egyptian Museum performed an inventory in 1973, at which time museum authorities discovered that the mask was no longer in box fifty-four.<sup>99</sup> The Egyptian Museum has no record of a sale or transfer for the mask during the period from 1966 to 1973.<sup>100</sup>

On the other hand, the Saint Louis Art Museum alleged that the mask was part of the Kaloterna private collection in the 1960s, when a Croatian collector in Switzerland acquired it.<sup>101</sup> The complaint stated that in 1995 this collector sold the mask to Phoenix Ancient Art,<sup>102</sup> and stated that SLAM purchased the mask from Phoenix in 1998 for approximately \$499,000.<sup>103</sup>

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<sup>95</sup> *Id.* at 1-2.

<sup>96</sup> Compare Verified Complaint for Forfeiture, *supra* note 21, at 2-3; with Complaint for Declaratory Judgment, *supra* note 20, at 5.

<sup>97</sup> Verified Complaint for Forfeiture, *supra* note 21, at 2.

<sup>98</sup> *Id.* at 3.

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> Complaint for Declaratory Judgment, *supra* note 20, at 5.

<sup>102</sup> *Id.*

<sup>103</sup> Notice of Verified Claim of Interest, Exhibit A at 1; Art Museum Subdist. of the Metro. Zoological Park & Museum Dist. of the City of St. Louis & the Cnty. of St. Louis v. United States, No. 4:11CV0091, 2011 WL 903377, at \*3 (E.D. Mo. Mar. 31, 2012), ECF No. 8-1

Around 2006, the Egyptian Supreme Council of Antiquities discovered the location of the mask and called for its return.<sup>104</sup> The museum denied these requests.<sup>105</sup> In December 2010, the United States Attorney's Office for the Eastern District of Missouri requested a meeting regarding the mask.<sup>106</sup> The parties met in January 2011, and the United States stated its intention to seize the mask.<sup>107</sup>

As a result of this meeting, each party instituted a suit against the other. Part A will examine the declaratory judgment action by SLAM. Part B will explore the civil forfeiture action by the United States government. Part C will review the aftermath of the cases, specifically, the government's motion to reconsider or amend.

### ***A. Declaratory Judgment***

SLAM filed for declaratory judgment against the government for the mask on February 15, 2011.<sup>108</sup> SLAM stated that it conducted a "months-long" provenance search, in which it contacted Mohammed Saleh of the Egyptian Museum, the Art Loss Register, INTERPOL, the International Federation of Art Research, the Missouri Highway Patrol, and the Federal Bureau of Investigation.<sup>109</sup> SLAM acknowledged receipt of several emails from Ton Cremers, of the Museum Security Network, beginning in December 2005, alleging the mask was sto-

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<sup>104</sup> United States v. Mask of Ka-Nefer-Nefer, No. 4:11CV504 HEA 2012 WL 1094658, at \*3 (E.D. Mo. Mar. 31, 2012), ECF No. 11.

<sup>105</sup> Verified Complaint for Forfeiture, *supra* note 21, at 3.

<sup>106</sup> Complaint for Declaratory Judgment, *supra* note 20, at 9.

<sup>107</sup> *Id.* at 9-10.

<sup>108</sup> *Id.* at 2.

<sup>109</sup> *Id.* at 5-6.

len.<sup>110</sup> Cremers had sent these emails to United States government officials, including the Department of Homeland Security and the FBI.<sup>111</sup>

Dr. Zahi Hawass, at that time the Director of the Supreme Council of Antiquities, contacted SLAM via email several times and provided inconsistent and inaccurate information asking for the return of the mask.<sup>112</sup> SLAM stated it was willing to return the mask if it was provided verifiable proof that the mask was stolen.<sup>113</sup> SLAM concluded that the United States had actual or constructive knowledge of the location of the mask and its questionable provenance for more than five years.<sup>114</sup> Consequently, the statute of limitations for forfeiture had passed.<sup>115</sup>

In addition, because Egyptian Law No. 215 allowed private ownership of antiquities, SLAM did not import the mask into the United States in violation of this law and the mask should belong to it.<sup>116</sup> Therefore, the museum requested declaratory judgment in its favor.<sup>117</sup> SLAM argued that the declaratory judgment would settle the dispute between the relevant parties, because the only other valid potential claimant was the Republic of Egypt.<sup>118</sup>

The government responded by filing a motion to dismiss the complaint or stay the action for de-

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<sup>110</sup> *Id.* at 7.

<sup>111</sup> *Id.* at 7-8.

<sup>112</sup> *Id.* at 9.

<sup>113</sup> *Id.*

<sup>114</sup> *Id.* at 10.

<sup>115</sup> *Id.*

<sup>116</sup> *Id.* at 11.

<sup>117</sup> *Id.*

<sup>118</sup> Plaintiff's Memorandum in Opposition to Defendant's Motion to Dismiss at 2, *SLAM Declaratory Judgment case*, No. 4:11CV00291, 2011 WL 1258264, at \*3 (E.D. Mo. Mar. 31, 2012), ECF No. 14.

claratory judgment on March 16, 2011.<sup>119</sup> The government stated that Title 19 and the Supplemental Rules established a procedure in civil forfeiture that would be superior to a declaratory judgment because it would be a final judgment for all possible parties.<sup>120</sup> Further, the government argued that the civil forfeiture proceeding was more effective for this dispute, because the parties were the same in both the declaratory judgment action and the civil forfeiture.<sup>121</sup> Should the government succeed in showing probable cause and win the forfeiture action, the mask would become the property of the United States, and the government would have the ability to decide whether to return the mask to Egypt, regardless of whether Egypt participated as a claimant in the civil forfeiture action.<sup>122</sup> Thus, the court should stay the declaratory judgment action because it was unnecessarily duplicitous and hindered judicial economy.<sup>123</sup>

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<sup>119</sup> Defendant's Motion to Dismiss or Stay Proceedings at 1, *SLAM Declaratory Judgment case*, No. 4:11CV00291, 2011 WL 999458, at \*1 (E.D. Mo. Mar. 31, 2012), ECF No. 8.

<sup>120</sup> *Id.* at 3. The Museum's primary basis for opposing the motion to stay was that it would open the mask up to frivolous claims from other parties and potentially expose the Museum to large litigation costs. Plaintiff's Memorandum in Opposition to Defendant's Motion to Dismiss at 7, *supra* note 118.

<sup>121</sup> Defendants' Reply to Plaintiff's Memorandum in Opposition to Their Motion to Dismiss or Stay Proceedings at 2, *SLAM Declaratory Judgment case*, No. 4:11CV00291 (E.D. Mo. Mar. 31, 2012), ECF No. 16.

<sup>122</sup> *Id.*

<sup>123</sup> Defendant's Memorandum in Support of Its Motion to Dismiss or Stay Proceedings at 6, *SLAM Declaratory Judgment case*, No. 4:11CV00291 (E.D. Mo. Mar. 31, 2012), ECF No. 9.

### ***B. Civil Forfeiture***

On the same day the government filed its response to the declaratory judgment complaint, it initiated an action for the civil forfeiture of the mask.<sup>124</sup> The complaint alleged that because the mask was missing from its box and there was no bill of sale or transfer in the records of the Egyptian Museum, the mask had been stolen and was subject to forfeiture under 19 U.S.C. § 1595a(c).<sup>125</sup> In addition, the government sought an *ex parte* order restraining SLAM from moving the property.<sup>126</sup> The court granted the restraining order.<sup>127</sup>

A claimant in a civil forfeiture action must file a claim within 60 days of publication and then the claimant must file an answer or motion under Rule 12 within 21 days.<sup>128</sup> Pursuant to this requirement, SLAM filed a claim of interest in the mask on April 20, 2011, in which it asserted that it had purchased the mask in good faith for \$499,000 from Phoenix Ancient Art in Geneva, Switzerland after months of provenance research.<sup>129</sup>

Shortly thereafter, on May 5, 2011, SLAM

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<sup>124</sup> Verified Complaint for Forfeiture, *supra* note 21, at 1.

<sup>125</sup> *Id.* at 4.

<sup>126</sup> *Ex Parte* Application of the United States to Restrain Defendant Prop. at 2, United States v. Mask of Ka-Nefer-Nefer, No. 4:11CV00504 (E.D. Mo. Mar. 31, 2012), ECF No. 3.

<sup>127</sup> Order Restraining Defendant Prop. at 2, United States v. Mask of Ka-Nefer-Nefer, No. 4:11CV00504 (E.D. Mo. Mar. 31, 2012), ECF No. 5.

<sup>128</sup> FED. R. CIV. P. 12; Declaration of Publication at 2; United States v. Mask of Ka-Nefer-Nefer, No. 4:11CV 504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 9.

<sup>129</sup> St. Louis Art Museum's Verified Claim of Interest in the Defendant Mask of Ka-Nefer-Nefer at 3, United States v. Mask of Ka-Nefer-Nefer, No. 4:11CV504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 8.



filed a motion to dismiss for failure to state a claim upon which relief could be granted.<sup>130</sup> SLAM argued that the term “missing” does not mean “stolen,” and that the complaint therefore could not withstand the motion to dismiss.<sup>131</sup> The museum further argued that the government did not allege when, where, how, or by whom the mask was stolen.<sup>132</sup> Consequently, the court should grant the motion to dismiss because the complaint did not provide details with sufficient particularity to satisfy Supplemental Rule G(2) of the Federal Rules of Civil Procedure.<sup>133</sup> Furthermore, SLAM argued that the only Egyptian patrimony law the United States recognizes is Law No. 117, and because this law was enacted in 1983, it would not have been in effect at the time the mask left Egypt.<sup>134</sup>

Moreover, SLAM argued that the statute of limitations had passed.<sup>135</sup> The Egyptian authorities knew the mask was missing as of 1973 and did nothing to recover it.<sup>136</sup> At the very latest, Egyptian authorities should have known the mask was in Saint Louis in 1998, when SLAM sent letters to the Director of the Egyptian Museum.<sup>137</sup> However, it was not until February 14, 2006 that Zahi Hawass contacted SLAM to ask for the return of the mask.<sup>138</sup> The gov-

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<sup>130</sup> St. Louis Art Museum’s Motion to Dismiss the Government’s Civil Forfeiture Complaint at 1, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 11.

<sup>131</sup> *Id.*

<sup>132</sup> *Id.* at 3.

<sup>133</sup> *Id.* at 4.

<sup>134</sup> *Id.* at 6-7.

<sup>135</sup> *Id.* at 8.

<sup>136</sup> *Id.* at 10.

<sup>137</sup> *Id.*

<sup>138</sup> *Id.* at 13.

ernment could have been aware of the mask's importation in 1998.<sup>139</sup> At the latest, the government would have had reason to discover the location of the mask and file forfeiture proceedings in February 2006 when it received emails from Ton Cremers, but the government did not file until March 2011.<sup>140</sup> Therefore, the five-year statute of limitations had passed.<sup>141</sup> For the same reasons just listed, the museum argued that the doctrine of laches should bar the claim.<sup>142</sup>

The government argued in response to SLAM's motion that it was required only to show probable cause in its pleading.<sup>143</sup> Further, 19 U.S.C. § 1615 shifted the burden to SLAM to show by a preponderance of the evidence that the mask was not stolen property.<sup>144</sup> Because the mask was documented in Cairo in 1966, was missing in 1973, and no record indicates that it was sold, the government argued there is probable cause to believe that it was stolen and therefore imported in violation of 18 U.S.C. § 1595a.<sup>145</sup> The government argued that matters of foreign law should be proven at trial and so the court should not consider SLAM's allegations regarding Egyptian Law No. 117 until that time.<sup>146</sup> Moreover, the government urged the court to reject the motion because the statute of limitations and the defense of

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<sup>139</sup> *Id.* at 14.

<sup>140</sup> *Id.*

<sup>141</sup> *Id.*

<sup>142</sup> *Id.* at 15.

<sup>143</sup> United States' Memorandum in Opposition to Claimant St. Louis Art Museum's Motion to Dismiss at 3, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 18.

<sup>144</sup> *Id.* at 1.

<sup>145</sup> *Id.* at 4.

<sup>146</sup> *Id.* at 5.

laches were outside of the scope of a motion to dismiss.<sup>147</sup>

The government also moved to strike SLAM's claim for lack of standing.<sup>148</sup> It argued that SLAM did not establish a colorable claim under Egyptian law, because that law "provides that antiquities like the Mask are property of the Republic of Egypt[.]"<sup>149</sup> Therefore, SLAM did not have colorable claim of ownership to the mask.<sup>150</sup> The Government asserted that because none of the exceptions for private ownership under Egyptian Law No. 215 were possible, the mask would be contraband like a narcotic, and the museum should not be able to claim the mask.<sup>151</sup>

SLAM countered by claiming that because the mask was in its exclusive possession and control for thirteen years, it had standing to claim the mask.<sup>152</sup> SLAM argued that its standing was based not just on possession, but also upon the fact that it paid value for the mask and would suffer injury if the mask

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<sup>147</sup> *Id.* at 6.

<sup>148</sup> United States' Motion to Strike Claim by St. Louis Art Museum for Lack of Standing at 1, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 20.

<sup>149</sup> United States' Memorandum in Opposition to Claimant St. Louis Art Museum's Motion to Dismiss, *supra* note 143, at 1.

<sup>150</sup> United States' Motion to Strike Claim by St. Louis Art Museum for Lack of Standing, *supra* note 148, at 2.

<sup>151</sup> United States' Memorandum in Support of its Motion to Strike Claim by St. Louis Art Museum for Lack of Standing at 4, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 21.

<sup>152</sup> Claimant St. Louis Art Museum's Memorandum in Opposition to the United States' Motion to Strike the St. Louis Art Museum's Verified Claim to the Mask at 4, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 24.

were forfeited.<sup>153</sup>

The court issued its opinion on the declaratory judgment action, the motion to strike and the civil forfeiture action on the same day.<sup>154</sup> The court decided to stay the declaratory judgment because no parties would suffer prejudice.<sup>155</sup> In addition, the court agreed with the government that civil forfeiture was procedurally superior because there was a specific statutory scheme for dealing with the matter.<sup>156</sup> The court also denied the government's motion to strike.<sup>157</sup> Because the mask had been in continuous and open possession of the museum for thirteen years, the court determined that SLAM had standing.<sup>158</sup>

However, the court granted the motion to dismiss the civil forfeiture action.<sup>159</sup> Supplemental Rule

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<sup>153</sup> Claimant St. Louis Art Museum's Sur-Reply to the United States' Reply to the Museum's Memorandum in Opposition to the Motion to Strike the Museum's Claim for Lack of Standing at 4, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 30.

<sup>154</sup> *SLAM Declaratory Judgment case*, No. 4:11CV291 HEA, 2012 WL 1107736, at \*3 (E.D. Mo. Mar. 31, 2012); *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA, 2012 WL 1094658, at \*1 (E.D. Mo. Mar. 31, 2012) *recons. denied*, No. 4:11CV504 HEA, 2012 WL 1977242 (E.D. Mo. June 1, 2012) (granting SLAM's motion to dismiss the verified complaint); *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA, 2012 WL 1094652, at \*2 (E.D. Mo. Mar. 31, 2012) (denying the government's motion to strike the claim by SLAM for lack of standing).

<sup>155</sup> *SLAM Declaratory Judgment case*, No. 4:11CV291 HEA, 2012 WL 1107736, at \*1 (E.D. Mo. Mar. 31, 2012).

<sup>156</sup> *Id.* at \*2.

<sup>157</sup> *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504-HEA, 2012 WL 1094652, at \*1 (E.D. Mo. Mar. 31, 2012).

<sup>158</sup> *Id.*

<sup>159</sup> *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV504 HEA, 2012 WL 1094658, at \*4 (E.D. Mo. Mar. 31, 2012) *recons.*

G(2) governs civil forfeiture actions,<sup>160</sup> and it requires that the complaint must plead the facts with particularity.<sup>161</sup> The court was not persuaded that the government would be able to meet its burden of proof at trial because the pleading only stated that the mask was “missing” and did not allege any facts indicating the time, place, or manner in which the mask was stolen.<sup>162</sup> Further, the court noted that 19 U.S.C. § 1595a specified that the merchandise be introduced into the country “contrary to law,” and the government failed to note which law was violated.<sup>163</sup>

### ***C. Motion to Reconsider or Amend the Complaint***

On April 6, 2012, the government filed a motion to seek leave to file a motion to reconsider and to amend the complaint.<sup>164</sup> The government stated that the order dismissed the complaint, but did not appear to dismiss the underlying action and was therefore not a final judgment.<sup>165</sup> On April 9, 2012, the court granted the motion to file a motion to reconsider by May 7, 2012 but was silent as to when or if the government could file an amended complaint.<sup>166</sup>

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*denied*, No. 4:11CV504 HEA, 2012 WL 1977242 (E.D. Mo. June 1, 2012).

<sup>160</sup> *Id.* at \*2.

<sup>161</sup> *Id.* at \*1.

<sup>162</sup> *Id.* at \*3.

<sup>163</sup> *Id.* at \*3.

<sup>164</sup> Motion for Enlargement of Time to File Motion for Reconsideration and/or to Seek Leave to File Amended Complaint Prior to Entry of Judgment at 1, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV00504 (E.D. Mo. Mar. 31, 2012), ECF No. 35.

<sup>165</sup> *Id.*

<sup>166</sup> Docket Text Order at 1, *United States v. Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 36.

As a result, the government filed a motion to reconsider or file an amended complaint,<sup>167</sup> arguing that it need only demonstrate probable cause and that claimant had the burden of proof beyond a preponderance of the evidence to show lawful importation.<sup>168</sup> It stated that probable cause should be more than mere suspicion, but it did not need to be a *prima facie* case.<sup>169</sup> The motion noted that courts have construed “stolen” within the context of 19 U.S.C. § 1595a liberally in other cases, such that the government only needed show that the mask belonged at one time to someone other than the current owner; it did not need to show the time and manner of the theft or the identity of the thief.<sup>170</sup> In addition, the plain language of the statute simply states, “stolen” and does not require a predicate law.<sup>171</sup> Therefore, the Opinion is incorrect by asserting that “introduced contrary to law” and “stolen” are separate elements to be satisfied.<sup>172</sup>

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The court entered the following information into the docket: “ORDERED: PLAINTIFF GRANTED UNTIL 5-7-12 TO FILE WHAT IT SUGGESTS IS A MOTION TO RECONSIDER HEA. (Response to Court due by 5/7/2012.). Signed by Honorable Henry E. Autrey on 04/09/12.”

<sup>167</sup> Motion of the United States to Reconsider Order and Op. Dismissing its Verified Complaint at 2, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 37.

<sup>168</sup> Memorandum of the United States in Support of its Motion to Reconsider Order and Op. Dismissing Verified Complaint at 2, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 38.

<sup>169</sup> *Id.* at 3.

<sup>170</sup> *Id.* at 5.

<sup>171</sup> *Id.* at 7.

<sup>172</sup> *Id.* at 7. The museum countered that the government should have alleged that a law was broken in addition to the forfeiture statute and the government did not allege the

The court denied the motion to reconsider because there was not so severe a mistake as to establish manifest error.<sup>173</sup> Further, the court granted the government's motion to extend time to file an appeal, but it was silent on whether the order was final.<sup>174</sup>

On June 8, 2012, the government filed a motion for leave to amend its complaint.<sup>175</sup> It argued that when a court grants a motion to dismiss, the dismissal is generally without prejudice and the plaintiff usually has an opportunity to amend the complaint.<sup>176</sup> The government attached a proposed amended complaint that added information about how provenance can be laundered.<sup>177</sup> It also added that because the Republic of Egypt did not authorize "any person to remove the Mask from box number

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Egyptian patrimony law that would be in effect. Claimant St. Louis Art Museum's Memorandum in Opposition to the Government's Motion to Reconsider Order and Opinion Dismissing Verified Complaint at 15, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 40.

<sup>173</sup> Op., Memorandum, and Order at 3, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 48.

<sup>174</sup> *Id.*

<sup>175</sup> Motion of the United States for Leave to File First Amended Verified Complaint for Forfeiture at 1, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 49.

<sup>176</sup> *Id.* at 2

<sup>177</sup> First Amended Verified Complaint at 3, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. June 8, 2012), ECF No. 49-1 ("Laundering the provenance of an artifact involves creating a fictitious history of the artifact's ownership through the fabrication of documents or other accounts that misstate of the place or time of origin or discovery or falsely describe the transactions leading to its present ownership.") (on file with the author and the Pace Intellectual Property, Sports & Entertainment Law Forum).

fifty-four at Saqqara” there was probable cause to believe the mask was “stolen by an unidentified individual . . . between 1966 and 1973.”<sup>178</sup>

The government also added information to the complaint about the necessary Egyptian law.<sup>179</sup> The government stated that Egyptian Law No. 215 defines the mask as an antiquity, and the mask does not fall into any of the exceptions for private ownership carved out by that law.<sup>180</sup> The amended complaint also discussed the individuals who sold the mask to SLAM, pointing out that Egyptian authorities convicted the sellers in 2004 for smuggling artifacts out of Egypt.<sup>181</sup>

Finally, the complaint alleged that SLAM made inquiries in form only and did not provide any real information about how or when the mask was excavated to those it asked.<sup>182</sup> The complaint pointed out that SLAM did not investigate the “unknown dealer” who held the mask in Brussels only one year after its excavation.<sup>183</sup> While SLAM heard from the Art Loss Register that the mask was not reported stolen, it was also informed that the Art Loss Register was not a complete list of stolen artifacts.<sup>184</sup> SLAM did not receive answers to its inquiries from the Missouri Highway Patrol, the International Federation of Art Research (IFAR), or INTERPOL.<sup>185</sup> SLAM did not provide important provenance or ask for verification of provenance from the Director of the

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<sup>178</sup> *Id.* at 4.

<sup>179</sup> *Id.* at 5.

<sup>180</sup> *Id.* at 5-6.

<sup>181</sup> *Id.* at 7.

<sup>182</sup> *Id.* at 9.

<sup>183</sup> *Id.* at 8.

<sup>184</sup> *Id.* at 9.

<sup>185</sup> *Id.* at 10.



Egyptian Museum.<sup>186</sup> Because SLAM was aware of the Egyptian law controlling exports and did not perform their due diligence, clearly evidenced by the above, it was “willfully blind” to the true owner of the mask: Egypt.<sup>187</sup> In 2006, when the Supreme Council of Antiquities sent letters to the museum asking for the return of the mask, SLAM should have known that the provenance provided by Phoenix Ancient Art was incorrect.<sup>188</sup>

The government also alleged that SLAM violated several laws, including 19 U.S.C. § 1595a; 18 U.S.C. §§ 545, 2314 and 2315; Egyptian Law No. 215; Mo. Rev. Stat. § 570.080; and N.Y. Penal Law §§ 165.52 and 165.55.<sup>189</sup> The government included an affidavit signed by a customs official that everything contained within the complaint was true.<sup>190</sup>

The government also argued that the court decided the case following the burden of proof presented in an intervening case.<sup>191</sup> Therefore, the court should permit the government to amend its complaint because it drafted the complaint before the publication of the case.<sup>192</sup>

SLAM countered that the Order issued April 9, 2012 effectively made the Opinion final and urged

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<sup>186</sup> *Id.*

<sup>187</sup> *Id.* at 11.

<sup>188</sup> *Id.*

<sup>189</sup> *Id.* at 13.

<sup>190</sup> Verification at 1, United States v. Mask of Ka-Nefer-Nefer, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 49-5.

<sup>191</sup> United States v. Davis, 648 F.3d 84 (2d Cir. 2011).

<sup>192</sup> Memorandum in Support of the United States Motion for Leave to File First Amended Verified Complaint for Forfeiture at 1, United States v. Mask of Ka-Nefer-Nefer, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 50.

the court to strike the government's motion.<sup>193</sup> Because the court denied the motion to reconsider on April 9, 2012, SLAM argued that the government did not have recourse under Rules 59(e), 60(b)(1), 60(b)(6) and 15(a)(2) of the Federal Rules of Civil Procedure.<sup>194</sup> Rule 59(e) only extends the deadline for filing notice of appeal, not for filing an amendment to a complaint.<sup>195</sup>

For those reasons, the court denied the motion to amend the complaint and denied SLAM's motion to strike as moot.<sup>196</sup> The court merely stated, "[f]or the reasons outlined in the Court's March 31, 2012 Order of Dismissal, and for the reasons offered in its Order denying reconsideration, the Court denies the Government's requested leave raised in its motion submitted on June 8, 2012."<sup>197</sup> Undeterred by the result, the government boldly filed a Notice of Appeal on June 29, 2012 with the Eighth Circuit.<sup>198</sup> The government's brief was filed on June 24, 2013.<sup>199</sup>

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<sup>193</sup> Claimant Saint Louis Art Museum's Motion to Strike the Motion of the United States for Leave to File First Amended Verified Complaint for Forfeiture at 2, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 51.

<sup>194</sup> *Id.* at 4.

<sup>195</sup> Claimant St. Louis Art Museum's Memorandum in Support of its Motion to Strike the United States' Motion for Leave to File First Amended Verified Complaint for Forfeiture at 6, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 52.

<sup>196</sup> *Op.*, Memorandum and Order at 2, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 54.

<sup>197</sup> *Id.*

<sup>198</sup> Notice of Appeal, *supra* note 26.

<sup>199</sup> Brief for Plaintiff-Appellant, *United States v. Mask of Ka-Nefer-Nefer*, No. 12-2578, 2013 WL 343390 (8th Cir. June 24, 2013).

### III. ANALYSIS

This section will analyze the *Mask of Ka-Nefer-Nefer* case in light of the law provided in Part II. Part A will first examine whether the district court correctly decided that the original complaint failed to show probable cause. Part B will examine whether the proposed amended complaint would survive to trial. At trial, there is a possibility that the action could fail due to the statute of limitations.

#### *A. The Original Complaint*

The court properly dismissed the civil forfeiture on the pleadings. In its complaint, the government failed to show probable cause that the mask was stolen. Further, the government also did not allege that SLAM or any other party violated a law, either a larceny statute or a patrimony law, to satisfy the “stolen” requirement of 19 U.S.C. § 1595a.<sup>200</sup>

The government must plead facts with enough particularity that the claimant may commence an investigation without asking for a more definite statement.<sup>201</sup> SLAM might be able to ascertain from the complaint that it should investigate the provenance of the mask between 1966 and 1973.<sup>202</sup> That is not “particular”; it would require researching the entire provenance of the mask. For example, in *Portrait of Wally*, the government was able to allege a time, place, and manner of the theft.<sup>203</sup>

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<sup>200</sup> See Verified Complaint for Forfeiture, *supra* note 21.

<sup>201</sup> FED. R. CIV. P. SUPP. E(2)(a).

<sup>202</sup> Verified Complaint for Forfeiture, *supra* note 21, at 3.

<sup>203</sup> *United States v. Portrait of Wally*, 663 F. Supp. 2d 232, 256 (S.D.N.Y. 2009). While the *Davis* case postdates the government’s pleading, it also alleged a specific thief and the time, place, and manner of the theft. *United States v. Davis*, 648 F.3d 84, 87 (2d Cir. 2011).

The pleading must also support a reasonable belief that the government can support its claim at trial.<sup>204</sup> The government merely alleged that by 1973, the mask was missing from its box and there was no bill of sale.<sup>205</sup> There is no allegation that the Egyptian Museum considered the mask stolen, or that it filed a report to that effect.<sup>206</sup> It simply states that officials noticed it was missing.<sup>207</sup> Perhaps the Egyptian authorities thought another curator had misplaced it or relocated it. Perhaps what is missing is the bill of sale. In a 2006 interview, Zahi Hawass, then Director of the Supreme Council of Antiquities, stated that the Egyptian Museum did not have much documentation for the mask of Ka-Nefer-Nefer because it kept poor records in that era.<sup>208</sup> Without any other facts, it is just as probable that someone misplaced the bill of sale as it is that someone stole the mask. While the government may use circumstantial evidence to support probable cause,<sup>209</sup> probable cause needs to be more than a mere suspicion.<sup>210</sup> The original complaint demonstrates only a suspicion that the mask was stolen.

Certainly, the court found probable cause in an *Original Manuscript* when an object was missing

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<sup>204</sup> FED. R. CIV. P. SUPP. G(2)(f).

<sup>205</sup> Verified Complaint for Forfeiture, *supra* note 21, at 4.

<sup>206</sup> *Id.* at 3.

<sup>207</sup> *Id.*

<sup>208</sup> *Egypt Demands Return of Mummy Mask*, NBC NEWS (May 2, 2006),

[http://www.nbcnews.com/id/12598537/ns/technology\\_and\\_science-t/egypt-demands-return-mummy-mask/](http://www.nbcnews.com/id/12598537/ns/technology_and_science-t/egypt-demands-return-mummy-mask/).

<sup>209</sup> *United States v. One Lucite Ball Containing Lunar Material*, 252 F. Supp. 2d 1367, 1378 (S.D. Fla. 2003).

<sup>210</sup> Memorandum of the United States in Support of its Motion to Reconsider Order and Op. Dismissing Verified Complaint, *supra* note 167, at 3.

from a museum.<sup>211</sup> However, the court decided that probable cause existed because the circumstances surrounding the purchase were extremely suspicious.<sup>212</sup> The government does not allege in the original complaint anything other than that SLAM acquired and currently possesses the mask; there is no allegation that it acted in bad faith during the purchase.<sup>213</sup>

In addition, the pleading did not assert a law predicate to 19 U.S.C. § 1595a.<sup>214</sup> The Government claims that the *Davis* case changed this pleading requirement from the model used in *Lucite Ball*.<sup>215</sup> However, this is not entirely true. It is true that the government's complaint did not allege a violation of a *United States* law.<sup>216</sup> However, the complaint in *Lucite Ball* did clearly indicate that the moon rock was taken in violation of the *Honduran* patrimony law, and this violation was why the importation was illegal under 19 U.S.C. § 1595a.<sup>217</sup> Thus, even using the standard that the government says was in existence at the time of the pleading, the government's pleading fails.

Therefore, the court properly decided that the pleading was not sufficient. It does not show probable cause, either that the mask was actually stolen or

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<sup>211</sup> *United States v. An Original Manuscript Dated November 19, 1778*, 96 CIV. 6221 (LAP), 1999 WL 97894, at \*6 (S.D.N.Y. Feb. 22, 1999).

<sup>212</sup> *Id.* at \*7.

<sup>213</sup> Verified Complaint for Forfeiture, *supra* note 21, at 3-4.

<sup>214</sup> *Id.* at 3.

<sup>215</sup> Memorandum in Support of the United States' Motion for Leave to File First Amended Verified Complaint for Forfeiture, *supra* note 192, at 1.

<sup>216</sup> See Verified Complaint for Forfeiture, *supra* note 21.

<sup>217</sup> Verified Complaint for Forfeiture *in rem*, *supra* note 56, at 9.

that SLAM acquired it in bad faith. It does not plead the circumstances with sufficient “particularity” to support the notion it could succeed at trial. Finally, the complaint does not assert a law under which the mask could be considered “stolen.”<sup>218</sup>

### ***B. The Proposed Amended Complaint***

The proposed amended complaint does cure these defects. First, it lists a number of laws predicate to § 1595a, such as §§ 545, 2314, and 2315 of Title 18; Egyptian Law No. 215; Mo. Rev. Stat. § 570.080; and N.Y. Penal Law §§ 165.52 and 165.55.<sup>219</sup> In addition, it alleges an actual theft,<sup>220</sup> and it alleges a matter of foreign law.<sup>221</sup> Finally, it casts doubt on the good faith purchase of the museum.<sup>222</sup> The following subsections will analyze whether these allegations support a finding of probable cause.

#### **1. Common Law Theft**

Common law doctrine insists that a thief can-

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<sup>218</sup> The term “stolen” is also ambiguous under the NSPA. The court noted in *Long Cove*, “It would be anomalous that while a violator of the Environmental Conservation Law would not be subject to prosecution in New York for larceny, he should be held to have stolen property within the meaning of the NSPA.” *United States v. Long Cove Seafood, Inc.*, 582 F.2d 159, 165 (2d Cir. 1978). One could draw a similar analogy here; in order for something to be considered stolen, a law of some sort must have been broken.

<sup>219</sup> First Amended Verified Complaint, *supra* note 177, at 13.

<sup>220</sup> *Id.* at 4.

<sup>221</sup> *Id.* at 5.

<sup>222</sup> *Id.* at 10 (stating “[a]s such, the Museum either knew or was willfully blind to the fact that Phoenix’s purported provenance was fictional at the time the Mask was imported”).

not pass good title.<sup>223</sup> Under common law, “stolen” has been defined as

acquired or possessed as a result of a wrongful or dishonest act or taking whereby a person willfully obtains or retains possession of property which belongs to another, without or beyond any permission given, and with the intent to deprive the owner of the benefit of ownership, whether temporarily or permanently.<sup>224</sup>

If the government could show probable cause that the mask was stolen according to common law, the forfeiture would be warranted. The amended complaint still does not provide a manner of theft or a timeframe shorter than 1966 to 1973.<sup>225</sup> It does suggest that an unidentified thief stole the mask.<sup>226</sup> However, a time, place, or manner, or any facts about how the theft could have occurred are still lacking from the complaint.<sup>227</sup> Simply alleging an “unidentified individual” does not strengthen the original complaint’s assertion that because the mask was missing and no bill of sale exists, the mask must be stolen. On the other hand, if the government could demonstrate a time that an unidentified individual broke into the Egyptian Museum, this would strengthen the argument.<sup>228</sup> This statement alone

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<sup>223</sup> Robin Morris Collin, *The Law and Stolen Art, Artifacts, and Antiquities*, 36 HOW. L.J. 17, 21 (1993).

<sup>224</sup> 77 AM. JUR. PROOF OF FACTS 3D *Proof of a Claim Involving Stolen Art or Antiquities* § 2 (2004).

<sup>225</sup> First Amended Verified Complaint, *supra* note 177, at 4.

<sup>226</sup> *Id.*

<sup>227</sup> *Id.*

<sup>228</sup> Zahi Hawass stated that he believed the mask was stolen from a storage facility in the 1980s; however, the government

does not provide probable cause that the mask was stolen according to common law.

However, the amended complaint reveals that Egypt convicted the sellers of the mask, the Aboutaam brothers, in 2004 for smuggling artifacts out of Egypt.<sup>229</sup> A confession from the sellers that they stole the mask, while improbable, would go a long way to establishing probable cause to seize the mask. If the Aboutaam brothers confessed to stealing the mask, then the museum would not have title per the common law doctrine or under the NSPA, and the mask should be forfeited. The amended complaint does not allege a confession.<sup>230</sup> Thus, the complaint does not show probable cause on the allegation of a common law theft.<sup>231</sup>

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never made this allegation in the complaint. Jeff Douglas, *St. Louis Museum Won't Return Egyptian Mask*, WASHINGTON POST (May 12, 2006), <http://www.washingtonpost.com/wp-dyn/content/article/2006/05/12/AR2006051201046.html>.

Hawass also stated that the last known provenance in Egypt was documented in 1959, which is contrary to the government's complaint that it was documented in 1966. Note that a 1980s theft would allow a proceeding under the CPIA.

<sup>229</sup> First Amended Verified Complaint, *supra* note 177, at 7.

<sup>230</sup> *Id.* at 4.

<sup>231</sup> In addition, there is one way that the museum could receive good title even if the mask was stolen – the mask must be stolen when it enters the country. *United States v. Portrait of Wally*, 663 F. Supp. 2d 232, 252 (S.D.N.Y. 2009). The museum purchased the mask in Switzerland. Bill of Sale at 1, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11CV0504 HEA (E.D. Mo. Mar. 31, 2012), ECF No. 8-2. “Under Swiss law, a purchaser of stolen property acquires title superior to that of the original owner only if he purchases the property in good faith.” *Autocephalous Greek-Orthodox Church of Cyprus v. Goldberg & Feldman Fine Arts Inc.*, 717 F. Supp. 1374, 1400 (S.D. Ind. 1989) *aff'd sub nom.* *Autocephalous Greek-Orthodox Church of Cyprus v. Goldberg & Feldman Fine Arts, Inc.*, 917 F.2d 278 (7th Cir. 1990). Swiss law presumes that a purchaser



## 2. Egyptian Law No. 215 – Violation of National Patrimony Law

However, it is not necessary to prove a common law theft if the Egyptian patrimony law sufficiently criminalized the alienation of antiquities such that all sales were illegal.<sup>232</sup> Unfortunately, the law does not do this.

SLAM points out that Law No. 117 of 1983 is the only patrimony law the United States recognizes out of Egypt.<sup>233</sup> It is true that it is the first patrimony law the United States recognized out of Egypt and that it replaced Law No. 215. That does not indicate that the United States would not recognize Law No. 215. The court in *McClain* reviewed all laws since the 1890s relating to Mexican patrimony to find the one that claimed ownership.<sup>234</sup> The court in *Lucite Ball* upheld Honduran law in spite of several regime

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acts in good faith. *Id.* Therefore, the burden to show that the buyer did not act in good faith is on the claimant. *Id.* Thus, it is possible that the sellers transferred good title to the museum even if the mask had been stolen from Egypt, if the museum acted in good faith.

<sup>232</sup> See *United States v. Schultz*, 333 F.3d 393, 406 (2d Cir. 2003). In *Schultz*, the defendant was convicted for selling antiquities in violation of the Egyptian patrimony law in spite of the fact that he had not “stolen” the antiquities from a person or entity in Egypt. The court determined that the patrimony law clearly indicated all objects that were found in Egypt after the law was enacted belonged to the government, and could not be sold to another party. Thus, if the government could prove that the mask belonged to Egypt in an unqualified manner, proof of a break in would not be necessary.

<sup>233</sup> St. Louis Art Museum’s Motion to Dismiss the Government’s Civil Forfeiture Complaint, *supra* note 130, at 6.

<sup>234</sup> *United States v. McClain*, 545 F.2d 988, 997 (5th Cir. 1977).

changes.<sup>235</sup> The mere fact that the United States has not officially recognized Law No. 215 as a patrimony law does not mean it would not do so if it were presented with a case dating from the time Law No. 215 was in effect.

The difference between the application of Law No. 117 in *Schultz* and Law No. 215 in the *Ka-Nefer-Nefer* case is not the text of the law. Law No. 215 does claim ownership of antiquities found in Egypt.<sup>236</sup> Like Law No. 117, it also allows privately owned objects in certain circumstances.<sup>237</sup> The problem is that Schultz and his associates dug antiquities out of the ground and sold them.<sup>238</sup> The Egyptian government under Law No. 117 owns all artifacts found in the ground in Egypt, without exception.<sup>239</sup> Thus, there is no way Schultz could have taken the objects out of Egypt without violating the law.

On the other hand, in the *Ka-Nefer-Nefer* case, the artifact was already out of the ground and the Egyptian Museum owned it. Under Law No. 215, the

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<sup>235</sup> *United States v. One Lucite Ball Containing Lunar Material*, 252 F. Supp. 2d 1367, 1373 (S.D. Fla. 2003).

<sup>236</sup> Law No. 215 of 1951 (Sur la Protection de Antiquités), *Al Waqa'i' al-Misriyah or Journal officiel du gouvernement égyptien*, 31 October 1951, p. 1 (Egypt). Please note that this law is only available in French. It was translated by the author and summarized by both parties in the following court documents. See Saint Louis Art Museum's Motion to Dismiss the Government's Civil Forfeiture Complaint at 7, *United States v. Mask of Ka-Nefer-Nefer*, No. 4:11-CV-00504 (HEA) (E.D. Mo. May 4, 2011), ECF No. 11 (on file with the author and the Pace Intellectual Property, Sports & Entertainment Law Forum); First Amended Verified Complaint for Forfeiture, *supra* note 177, at 5.

<sup>237</sup> *Id.* at 5.

<sup>238</sup> *United States v. Schultz*, 333 F.3d 393, 396 (2d Cir. 2003).

<sup>239</sup> Law No. 117 of 1983 (Law on the Protection of Antiques), *Al-Jarida Al-Rasmiya*, 11 August 1983, p. 17 (Egypt).

Egyptian government, the operator of the Egyptian Museum, is at liberty to sell antiquities.<sup>240</sup> Thus, there are ways to take the mask out of Egypt without *automatically* violating the patrimony law, unlike the situation in *Schultz*.

Regardless of this distinction, the government was correct in asserting that the trial court should properly decide matters of foreign law.<sup>241</sup> Other courts have determined that merely alleging a matter of foreign law was sufficient to survive a motion to dismiss.<sup>242</sup>

### 3. Lack of Good Faith

If the government cannot show probable cause that a common law theft occurred, then it must show that SLAM did not act in good faith. *Scienter* is a necessary component of §§ 545, 2314, and 2315 of Title 18; Mo. Rev. Stat. § 570.080; and N.Y. Penal Law §§ 165.52 and 165.55.<sup>243</sup> Therefore, the government would need to show that SLAM either knew or was willfully blind to the fact that the mask was stolen from Egypt at the time of sale in order to forfeit the

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<sup>240</sup> Law No. 215 of 1951 (Sur la Protection de Antiquités), *Al Waqa'i' al-Misriyah or Journal officiel du gouvernement égyptien*, 31 October 1951, p. 5 (Egypt).

<sup>241</sup> United States' Memorandum in Opposition to Claimant St. Louis Art Museum's Motion to Dismiss, *supra* note 143, at 5.

<sup>242</sup> *United States v. Pre-Columbian Artifacts*, 845 F. Supp. 544, 546 (N.D. Ill. 1993) ("Therefore, alleging in a pleading that property is stolen under a foreign law is a sufficient pleading without providing the specifics of the foreign law.").

<sup>243</sup> National Stolen Property Act, 18 U.S.C. §§ 2314-2315; 18 U.S.C. § 545; MO. REV. STAT. § 570.080; N.Y. PENAL LAW §§ 165.52, .55. All of these statutes require that the possessor *knowingly* possess, receive, or transport the stolen object.

mask under any of these statutes.<sup>244</sup>

The government has been able to show probable cause in other cases because the circumstances surrounding the purchases were questionable.<sup>245</sup> There are a number of actions the court has considered evidence of bad faith. These include a failure to research the item,<sup>246</sup> failure to research the sellers or the original owner,<sup>247</sup> paying an extremely low price,<sup>248</sup> paying in cash,<sup>249</sup> concluding the transaction very hastily,<sup>250</sup> or conducting the transaction in an unusual place or at an unusual time.<sup>251</sup>

First, the nature of the item for sale – an antiquity from a country known for being looted – suggests that a potential purchaser should proceed with caution.<sup>252</sup> By providing ten paragraphs on illicit trading of antiquities, the amended complaint indi-

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<sup>244</sup> United States v. Portrait of Wally, 663 F. Supp. 2d 232, 269 (S.D.N.Y. 2009).

<sup>245</sup> United States v. An Original Manuscript Dated November 19, 1778, 96 CIV. 6221 (LAP), 1999 WL 97894, at \*7 (S.D.N.Y. Feb. 22, 1999); Leonardo Da Vinci's Horse, Inc. v. O'Brien, 761 F. Supp. 1222, 1228 (E.D. Pa. 1991); Autocephalous Greek-Orthodox Church of Cyprus v. Goldberg & Feldman Fine Arts Inc., 717 F. Supp. 1374, 1402 (S.D. Ind. 1989) *aff'd sub nom.* Autocephalous Greek-Orthodox Church of Cyprus v. Goldberg & Feldman Fine Arts, Inc., 917 F.2d 278 (7th Cir. 1990).

<sup>246</sup> *Autocephalous Greek-Orthodox Church*, 717 F. Supp. at 1401.

<sup>247</sup> *Id.*; *Leonardo Da Vinci's Horse*, 761 F. Supp. at 1224; *Original Manuscript*, 1999 WL 97894, at \*7.

<sup>248</sup> *Autocephalous Greek-Orthodox Church*, 717 F. Supp. at 1401; *Leonardo Da Vinci's Horse*, 761 F. Supp. at 1224.

<sup>249</sup> *Original Manuscript*, 1999 WL 97894 at \*7.

<sup>250</sup> *Autocephalous Greek-Orthodox Church*, 717 F. Supp. at 1402.

<sup>251</sup> *Original Manuscript*, 1999 WL 97894, at \*7.

<sup>252</sup> *Autocephalous Greek-Orthodox Church*, 717 F. Supp. at 1401.

cates the need for due diligence in researching provenance.<sup>253</sup> The complaint demonstrates all the ways in which SLAM could have conducted a more thorough provenance search.<sup>254</sup> It is clear that it did a provenance search, as it sent requests to the Art Loss Register, INTERPOL, the International Federation of Art Research, the Missouri Highway Patrol, and the Federal Bureau of Investigation.<sup>255</sup> However, the amended complaint notes that SLAM did not hear back from most of these sources, which does not indicate a thorough search.<sup>256</sup>

Nevertheless, SLAM did contact the Director of the Egyptian Museum in Cairo and provide a description and photos of the mask.<sup>257</sup> To the untrained eye, many Egyptian artifacts look the same. However, to someone schooled in Egyptian art, the differences between objects are clear. The director of the Egyptian Museum in Cairo should be versed well enough in Egyptian artifacts to distinguish one artifact from another. One would think that when presented with a description and pictures of an object, the director of such a museum would be able to determine if the object was one that was missing from its collection. Certainly, the Egyptian Museum's collection is vast,<sup>258</sup> but if the mask was stolen and the Egyptian government truly wanted it back, the direc-

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<sup>253</sup> First Amended Verified Complaint, *supra* note 177, at 8-9.

<sup>254</sup> *Id.* at 9-10.

<sup>255</sup> Complaint for Declaratory Judgment, *supra* note 20, at 5-6.

<sup>256</sup> First Amended Verified Complaint, *supra* note 177, at 10.

<sup>257</sup> Complaint for Declaratory Judgment, *supra* note 20, at 5-6.

<sup>258</sup> *The Egyptian Museum*, SUPREME COUNCIL OF ANTIQUITIES, [http://www.sca-egypt.org/eng/MUS\\_Egyptian\\_Museum.htm](http://www.sca-egypt.org/eng/MUS_Egyptian_Museum.htm) (last visited Jan. 26, 2014)).

tor would conceivably have a list of some sort to compare objects against when presented with the type of documentation the Saint Louis Art Museum provided.<sup>259</sup> Thus, one can hardly fault the museum for continuing with the sale after the Director of the Egyptian Museum did not object, and after the Art Loss Register reported the mask was not on its list.

However, the courts have noted that it is important to take into consideration the sophistication of the buyer.<sup>260</sup> In *Schultz*, the court observed that Schultz was an expert in the field of Egyptian Antiquities and should know of Egyptian Law No. 117.<sup>261</sup> SLAM is also a sophisticated buyer and should know the difficulties of the art market, including the looting that occurs in Egypt. It should have researched the matter very thoroughly.

Second, the courts have noted that when buying art it is necessary to check the authority of the seller to sell the object or to research the original owner.<sup>262</sup> The amended complaint notes that Egyptian authorities convicted both sellers in 2004 for smuggling artifacts out of Egypt.<sup>263</sup> It also notes that SLAM failed to contact the previous owners of the mask to determine whether it could be sold.<sup>264</sup>

The former director of the Metropolitan Museum of Art in New York has expressed disbelief that

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<sup>259</sup> The Supreme Council of Antiquities currently provides such a list, in some cases with photographs, of antiquities whose return it is seeking. See SUPREME COUNCIL OF ANTIQUITIES, *supra* note 7.

<sup>260</sup> United States v. Schultz, 333 F.3d 393, 416 (2d Cir. 2003).

<sup>261</sup> *Id.*

<sup>262</sup> *Autocephalous Greek-Orthodox Church*, 717 F. Supp. at 1401; *Leonardo Da Vinci's Horse*, 761 F. Supp. at 1224; *Original Manuscript*, 1999 WL 97894, at \*7.

<sup>263</sup> First Amended Complaint, *supra* note 177, at 7-8.

<sup>264</sup> *Id.* at 9.

anyone would purchase an artifact from the Aboutaam brothers because they were notoriously untrustworthy characters.<sup>265</sup> Art historians in the United States have questioned the Aboutaam brothers' story of provenance, stating that it is extremely unlikely the Egyptian government would have given an object to one of its own excavators.<sup>266</sup> The conviction of the sellers and their notoriously circumspect reputation casts doubt on the legitimacy of the provenance for the mask, and consequently lends itself to establishing probable cause to investigate the purchase further.

Third, courts have noted that if the price of the object is too low, it should alert the buyers as to the possible illegality of the sale.<sup>267</sup> The complaint does not allege that the price paid by the museum was unreasonably low.<sup>268</sup> SLAM paid nearly a half million dollars for the mask;<sup>269</sup> this seems entirely rea-

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<sup>265</sup> See Tristan McKinnon, *Antiquities Wishlist Part One: The Mask of Ka-Nefer-Nefer*, LOOTING HISTORY (June 1, 2010, 1:27 PM), <http://looting-history.blogspot.com/2010/06/antiquities-wish-list-part-one-mask-of.html>.

<sup>266</sup> *Id.* However, Egyptian Law No. 215 is somewhat ambiguous on this possibility. Note that Art. 22 of No. 215 allows the government to give an artifact to its finder; but Law No. 117 specifies foreign expeditions as the ones who can receive a gift from the Egyptian government, and no provision is made for Egyptian finders. See Law No. 215 of 1951 (Sur la Protection de Antiquités), *Al Waqa'i' al-Misriyah or Journal officiel du gouvernement égyptien*, 31 October 1951, art. 22 (Egypt); Law No. 117 of 1983 (Law on the Protection of Antiques), *Al-Jarida Al-Rasmiya*, 11 August 1983 (Egypt).

<sup>267</sup> *Autocephalous Greek-Orthodox Church*, 717 F. Supp. at 1401; *Leonardo Da Vinci's Horse*, 761 F. Supp. at 1224.

<sup>268</sup> First Amended Complaint, *supra* note 177, at 6-7.

<sup>269</sup> St. Louis Art Museum's Verified Claim of Interest in the Defendant Mask of Ka-Nefer-Nefer, *supra* note 129, at 2.

sonable.<sup>270</sup> Therefore, this price alone does not lend itself to finding probable cause.

Fourth, the haste with which the parties complete a transaction can raise suspicions.<sup>271</sup> For example, in *Autocephalous*, the transaction took place over three days.<sup>272</sup> The amended complaint does not allege that the transaction was hasty.<sup>273</sup> In fact, SLAM conducted a months-long provenance search before it decided to purchase the object.<sup>274</sup> The transaction was in no way hasty or surreptitious. The transaction time does not weigh in favor of finding probable cause.

Finally, the time or place of the transaction can raise suspicions.<sup>275</sup> In *Original Manuscript*, the transaction took place in a hotel room at night for cash.<sup>276</sup> In contrast, SLAM prepared a contract and conducted itself in a businesslike manner.<sup>277</sup> Thus, it paid a reasonable price, took a reasonable time to conduct the transaction, and conducted the transaction in a reasonable manner. SLAM's conduct does not rise to the level of bad faith exhibited in other cases.

On the other hand, the amended complaint does suggest that SLAM's research was substantially lacking. It failed to investigate the previous owners,

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<sup>270</sup> See generally, LEONARD DUBOFF & CHRISTY KING, ART LAW 38 (2006) (discussing the rise of prices for art).

<sup>271</sup> *Autocephalous Greek-Orthodox Church*, 717 F. Supp. at 1402.

<sup>272</sup> *Id.*

<sup>273</sup> First Amended Complaint, *supra* note 177, at 10.

<sup>274</sup> Complaint for Declaratory Judgment, *supra* note 20, at 5.

<sup>275</sup> *United States v. An Original Manuscript Dated November 19, 1778*, 96 CIV. 6221 (LAP), 1999 WL 97894, at \*7 (S.D.N.Y. Feb. 22, 1999).

<sup>276</sup> *Id.*

<sup>277</sup> Complaint for Declaratory Judgment, *supra* note 20, at 7.



and it also failed to follow up with any of its inquiries.<sup>278</sup> These failures do suggest probable cause to investigate the purchase further, and to further determine the industry practice at the time of the purchase.

However, unless the government is able to argue that the statute of limitations should be tolled from the beginning of the declaratory judgment action, the civil forfeiture could fail due to an affirmative defense. The statute of limitations established for civil forfeiture by 19 U.S.C. § 1621 is five years, or two years from the point of discovery.<sup>279</sup> SLAM properly noted that its importation of the mask in 1998 should have alerted United States authorities to its presence.<sup>280</sup> At the latest, the February 14, 2006 letter of Zahi Hawass should have alerted the government to the possibility that the mask was stolen.<sup>281</sup> In spite of that, the government waited until March 16, 2011 to file a complaint for civil forfeiture.<sup>282</sup> This is five years and one month beyond the point discovery, and too late to file a claim. Because SLAM had the mask on display for thirteen years, the government cannot argue that the museum concealed the mask and that the statute of limitations should be tolled.<sup>283</sup>

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<sup>278</sup> First Amended Complaint, *supra* note 177, at 9-10.

<sup>279</sup> 19 U.S.C. § 1621.

<sup>280</sup> Complaint for Declaratory Judgment, *supra* note 20, at 10.

<sup>281</sup> St. Louis Art Museum's Motion to Dismiss the Government's Civil Forfeiture Complaint, *supra* note 130, at 13.

<sup>282</sup> Verified Complaint for Forfeiture, *supra* note 21, at 1.

<sup>283</sup> 19 U.S.C. § 1621. The statute of limitations states that it will run "except that . . . any concealment or absence of the property, shall not be reckoned within the 5-year period of limitation." *Id.*

SLAM also asserted a defense of laches.<sup>284</sup> However, the Southern District of New York has determined that the doctrine of laches does not apply to a civil forfeiture case.<sup>285</sup> The same court determined that the doctrine of laches was outside the scope of a motion to dismiss.<sup>286</sup> Because laches is so fact-based, the court typically decides whether it is applicable, and it is therefore not appropriate for a pre-trial motion.<sup>287</sup>

### CONCLUSION

The court properly dismissed the original complaint. It failed to show any probable cause that the mask was stolen from Egypt and it did not cite a predicate law to 19 U.S.C. § 1595a. The proposed amended complaint added a number of predicate laws. It also shows probable cause by noting that the antiquities trade is questionable, the sellers of the mask were notoriously circumspect, and under Egyptian patrimony law, Egypt may have been the owner of the mask.

Therefore, if the government wants to survive a motion to dismiss in a case like this one, it must show probable cause. It can do this in a number of ways. It can identify a thief or a break in. It can allege that the patrimony laws of a foreign country prohibit the ownership of the kind of object in question. Failing these, the government must be able to show that the circumstances surrounding the trans-

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<sup>284</sup> St. Louis Art Museum's Motion to Dismiss the Government's Civil Forfeiture Complaint, *supra* note 130, at 14.

<sup>285</sup> United States v. Portrait of Wally, 663 F. Supp. 2d 232, 275 (S.D.N.Y. 2009).

<sup>286</sup> *Id.*

<sup>287</sup> 77 AM. JUR. PROOF OF FACTS 3D *Proof of a Claim Involving Stolen Art and Antiquities* § 32 (2004).

action clearly indicate bad faith on the buyer's part.

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*Article*

**“Meet Me Halfway”:  
Arm Wrestling and the Law**

*Thomas M. Byron\**

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\* J.D., Emory University School of Law. The author practices on a part-time basis as corporate counsel for The MathWorks, Inc. while he pursues a PhD in Romance Studies at Boston University. This article does not reflect the opinions of the MathWorks or BU, and all errors are the author's.

### ***Abstract***

Most law review articles are very serious, and with good reason. They discuss important, world-changing matters like the role and magnitude of executive power, the limits of Constitutional rights, the boundaries of international law, and the vagaries of civil procedure. This Article has no such world-changing or reverent pretensions; it instead takes a light-hearted view of a fairly marginal legal topic: arm wrestling. To provide a spine for the discussion, the Article leans heavily on the 1980s movie *Over the Top* – a movie about arm wrestling, trucking, and child custody - to provide examples of arm wrestling content with legal implications. As the Article develops background on the topic, it discusses types of tort liabilities likely to apply to arm wrestling, the functional import of waivers in the arm wrestling context, and the possible liabilities of third parties who host or organize arm wrestling bouts. A later part of the Article confronts an employer’s possible liabilities for employees’ arm wrestling while on the job. Some discussion is even devoted to the possibility of arm wrestling against a machine. Yet lest the Article’s use of occasionally silly pronouncements and irreverent movie references mislead, the content is intended to be legally sound.

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## INTRODUCTION

This Article begins near a story’s end, under blinding spotlights in a Las Vegas arena, where two men are about to lock in struggle in front of thousands of boisterous spectators. From a distance, the match would seem unfair – pitting a 300-pound five time world champion against an unknown, roughly 100 pounds lighter. The differences between the competitors do not end there. The larger man, named Bull Hurley, is brash and arrogant, generously heaping obscenities and threats on his smaller opponent, as his eyes blaze and arena lights dance and pool on the sweat coating his shaved head. The smaller man, Lincoln Hawk, is more reserved and methodical in his comportment. He utters no taunt, makes no face at his opponent; he simply rotates the bill of his trucker cap 180 degrees away from his forehead, as he always does before such bouts.

Yet for all the disparities in size and confidence confronting Hawk, the smaller man does not back down in the face of his challenge. As the struggle approaches, Hurley plants his right elbow on the table between the two competitors and fires off another harangue. Hawk, still not baited by his opponent’s taunts, places his right elbow on the table only at the urging of the referee. Once each competitor has positioned his arm, the two men lock right hands, and prepare for battle. When the signal is given, each man begins exerting as much force as he can in an attempt to pin his opponent’s right wrist to the table. These men are arm wrestling<sup>1</sup> - not just for

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<sup>1</sup> In the unpublished opinion of *Jamison v. Arm World Promotions*, No. F058008, 2010 WL 3307462, at \*2 (Cal. Ct. App. Aug. 24, 2010), the court defined arm wrestling as “a competitive endeavor in which two opponents exert pressure against each other’s hands to determine which competitor has

pride, but for the title of world’s greatest arm wrestler.

The match initially does not proceed well for Hawk. Hurley is able to use his Christmas ham arm to wrench Hawk’s hand into a highly disadvantageous position, close to the table’s surface and an attendant defeat. Yet at his son’s excited exhortation, Hawk musters enough strength to escape the threat and reestablish equilibrium with Hurley nearer to their starting point. With the threat of defeat not yet averted, Hawk catches a break in the match, as his hand slips free from Hurley’s grasp. This stoppage sends Hurley into a frothy rage, as the match must be restarted in the original starting position. Given Hawk’s proximity to defeat prior to the hand slip, Hurley may believe Hawk intentionally loosened his grip.<sup>2</sup> As the competitors retake their positions, their demeanors remain as they have throughout the contest – with an over-charged Hurley bouncing taunts into the blank face of Hawk. The primary differences in their second attempt at the world title are the presence of an arm wrestling strap to secure their hands, and – in addition to the insults hurled at Hawk’s face – a sucker punch delivered by Hurley as the opponents’ hands are tied.

When the second attempt at the world championship match begins, a bloodied Hawk strains against Hurley as the match oscillates between surges in each opponent’s favor. And just as things seem

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greater arm strength. Each competitor must keep their elbow on the table, with the goal of forcing their opponent’s hand to touch the table.”

<sup>2</sup> Which would qualify as a foul under the rules of arm wrestling. See ARMWRESTLING RULES & REGULATIONS, Art. XII, § B, r. 21 (Am. Armsport Ass’n Rules 2012), *available at* <http://www.armsport.com/rules.htm> (last visited Feb. 25, 2014).

most dire for Hawk, his hand perilously approaching the point of defeat, Hawk is able to readjust his grip, bringing his fingers directly over the top of Hurley’s. The wild claims of Hurley that have peppered the match to this point are converted to a banshee’s wail, as Hawk begins an improbable comeback.

And... the narrative must end there, for its continuation would spoil the end of the movie, *Over the Top*.<sup>3</sup> That movie features Sylvester Stallone in the role of Lincoln Hawk testing his fictional arm wrestling prowess against Hurley, portrayed by the late Rick Zumwalt, an actual five time world arm wrestling champion. Prior to the world championship match, the film chronicles Hawk’s life as a trucker, and his attempt to reconnect with his estranged son over the course of a cross-country haul. During that trip, the film clarifies that when Hawk is not on the road (and even at times when he is on it), he enjoys working out and engaging in impromptu arm wrestling matches at various truck stops. (And when Hawk is not doing that, he is vaguely invested in a battle for custody of his son against the boy’s maternal grandfather.)

This Article begins with a description of a scene from *Over the Top* – not just because it is a great movie<sup>4</sup> – but because this Article is on the topic of arm wrestling as it intersects with the law. *Over the Top* serves a worthwhile purpose in support of this topic as the only big-budget Hollywood film to focus on arm wrestling. And as the story in *Over the Top* unfolds, a number of scenes, including the one just described – provide legally salient material that speaks to how arm wrestlers might encounter the

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<sup>3</sup> OVER THE TOP (Warner Brothers 1987).

<sup>4</sup> A point some might dispute.



law.

One example of such material comes in the form of the injury that an arm wrestler might sustain during a match. For all the glory and accolades that may follow from an arm wrestling victory, the sport is not without risk of serious bodily harm.<sup>5</sup> As participants wrench their arms to try to pin an opponent's wrist, this rotational force applies potentially significant shearing and torque loads to the upper arm. Human arms are not always able to withstand such forces; as a consequence demonstrated amply by most of the case law discussed below, arm wrestling participants place themselves at risk of serious spiral fractures to the humerus. Indeed, *Over the Top* does not sugarcoat this reality, as the film dedicates several frames to an injury occurring in the lead-up to the Hurley-Hawk tournament final. With such risk of serious injury come potential costs arising out of both short-term medical treatment and long-term consequences associated with imperfectly healed injuries. From such injuries follows the question of who should bear the cost as between the victim, the victim's opponent, or even a third party. In most real-life scenarios, it is just such a third party that will face this legal risk – where an arm wrestling injury occurs on the job or at an arm wrestling tournament, for example, the injured party may seek compensation against an employer or tournament organizer.

In its quest to provide guidance and background on the legal implications of arm wrestling in cases such as these, this Article reviews the legal

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<sup>5</sup> *Jamison*, 2010 WL 3307462, at \*2 (“A known risk of arm wrestling is that a competitor’s arm might break under the strain of competition. Broken arms occur despite rules that govern arm wrestling in the attempt to limit injuries.”).

risks attendant on arm wrestling from a few different perspectives. Part I of the Article discusses the legal implications of arm wrestling as a general matter. This discussion includes an overview and extrapolation of general sports tort law to the arm wrestling table specifically. Primarily included in the discussion are the torts that apply to the risk of injuries sustained during a match and the possibility of mitigating such risk by resort to waivers. Part II delves into the richest source of case law on arm wrestling – the occurrence of arm wrestling in the employment setting, and the associated repercussions for workers’ compensation liability. Part III discusses yet another specific case of potential legal risk arising from arm wrestling – the match pitting an arm wrestler against a machine.

## **I. ARM WRESTLING AND TORT LIABILITY GENERALLY**

Little is known about the invention or early history of arm wrestling. This is presumably the case due to the sport’s age, as arm wrestling requires no more than two people with arms and machismo, things that have never been in short supply in human history. Yet for the probably lengthy tradition surrounding the sport of arm wrestling, there is very little case law on the topic at all, and what case law does exist involves suits against third parties that organize, host, or employ the competitors. In other words, my search of case law has not uncovered a single published opinion arising out of a suit brought by an injured arm wrestler against an opponent. Yet the legal duties or liabilities between one arm wrestler and another represent a fundamental locus of conflict, the projection of the primordial fight into the less physical judicial forum, on which further discussion of the liabilities of non-participants may be con-

structed.

In view of the limited case law on the topic, the likely treatment of arm wrestling by courts must be predicted based on courts' treatment of torts in other athletic contexts. When torts arise between participants in the athletic context, they are typically brought under one of three theories, presented in order of decreasing level of intent: intentional tort such as assault or battery, reckless misconduct, or negligence.<sup>6</sup> These causes of action are not available in all jurisdictions in the context of athletic competition. As one commentator noted, "early sports cases limited recovery to intentional torts: recovery on a negligence theory was 'out of the question.'"<sup>7</sup> This parsimonious traditional view of tort law has relaxed over time. Most jurisdictions now also permit recovery for reckless misconduct, and some go so far as to permit negligence claims in the context of athletics.<sup>8</sup> Ultimately, then, an arm wrestler's ability to seek relief for damages will depend on a combination of the harm claimed and whether the jurisdiction in question recognizes that type of harm in the athletics context. Yet as each of the three primary sources of tort liability will all apply to arm wrestling torts in some jurisdictions, each merits further individual discussion.

Regardless of the jurisdiction, commission of an intentional tort will give rise to liability for the

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<sup>6</sup> See Glenn R. Grell, Case Note, *Hackbart v. Cincinnati Bengals, Inc.*, 601 F.2d 516 (10th Cir. 1979), 84 DICK. L. REV. 753, 758-60 (1980).

<sup>7</sup> *Id.* at 760.

<sup>8</sup> See, e.g., *Lestina v. West Bend Mutual Insurance Co.*, 501 N.W.2d 28, 33 (Wis. 1993) (finding negligence "sufficiently flexible" to be used in a case involving an injury sustained during a recreational soccer match).

arm wrestling tortfeasor. An arm wrestler could conceivably commit an intentional infliction of emotional distress against another participant, or falsely imprison that participant, but such torts would seem highly unlikely. Taunting from one arm wrestler to another might call into question the strength, size, or value of a competitor, but it is unlikely to be so “extreme and outrageous” as to qualify as an intentional infliction of emotional distress.<sup>9</sup> Nor, for that matter, is an arm wrestler likely to confine an opponent in any meaningful way during a match such that the opponent would be falsely imprisoned. Rather, the most likely intentional tort to occur during an arm wrestling match is the tort of battery. Battery traditionally requires offensive bodily contact that the defendant intended to cause.<sup>10</sup> Beyond the gripping of hands required for an arm wrestling match, the sport of arm wrestling does not require any other contact between the competitors. Contact beyond the hand-on-hand grip satisfying the definition of battery during a match would be actionable as such.

The final scene in *Over the Top* offers a clear example of just such a battery committed during an arm wrestling match. Just as Bull Hurley and Lincoln Hawk re-engage for a second attempt at their world championship match, Hurley unexpectedly forces both his and Hawk’s hand into Hawk’s face.<sup>11</sup> This contact leads to light, almost stylized bleeding from Hawk’s nose, an indication of some degree of injury.<sup>12</sup> This satisfies all elements of the tort – first, the bodily contact between the interlocked hands and

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<sup>9</sup> RESTATEMENT (SECOND) OF TORTS § 46 (1965).

<sup>10</sup> *See, e.g.*, *Lambertson v. United States*, 528 F.2d 441, 444 (2d Cir. 1976).

<sup>11</sup> *OVER THE TOP* (Warner Brothers 1987).

<sup>12</sup> *Id.*

Hawk's face is offensive, certainly inasmuch as it injures Hawk. Additionally, Hurley intends to bring about the contact by forcing the competitors' fists into Hawk's face. This intent may be inferred from a number of sources. Hurley's incessant taunting and raging arrogance is suggestive of someone who might intentionally harm another, a suggestion only reinforced by Hawk's slip in grip which Hurley likely viewed as depriving him of victory. But the strongest indicator of Hurley's intent is the sheer improbability that such contact would ever occur outside of an intent to cause it. At the time of the offensive contact, the competitors' arms were at rest in preparation for the match, so no significant force of any kind should have been exerted at that moment. And even if the competitors were to exert a force, arm wrestling dictates that lateral force be applied between the competitors. A force of that magnitude exerted directly at an opponent under these circumstances would only occur intentionally. In view of this, Hurley could have been found liable for a battery.

Lest the probative value of another's arrogance or taunting in arm wrestling be overstated, *Over the Top* also teaches that the expression of an intent to cause serious harm is not always fulfilled in any obvious way. Throughout the film, the number of serious threats lofted at a competitor before a match is fairly striking. When an overcharged character named Smasher challenges Hawk to an impromptu arm wrestling match at some greasy spoon/truck stop, Smasher explicitly brags to Hawk, "I've got a thousand [dollars] that says I can tear your arm off."<sup>13</sup> Hawk accepts the challenge, but lest he have failed to appreciate the brutish

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<sup>13</sup> *Id.*

nature of his opponent, Smasher loudly proclaims, "I wanna show this guy something . . . break his arm off."<sup>14</sup> Yet once the arm wrestling between the two begins, Smasher does nothing unusual, least of all attempt to separate Hawk's arm from his torso. The two just arm wrestle.

That isn't the only occasion of threatened violence at an arm wrestling table. In a documentary-style interview spliced into the tournament final footage, Bull Hurley boldly states, "I drive trucks, break arms, and arm wrestle. That's what I love to do, and it's what I do best."<sup>15</sup> In the same interview, he says of Hawk, "All I want is to try to hurt him, cripple him . . . so he never dares to try to compete against me again."<sup>16</sup> Yet once again, Hurley does not fulfill his violent threats nearly as well as he strings together infinitives. Outside the match's punching incident, which does not involve a broken arm or crippled victim, Hurley's actions simply do not align with his stated intent. Instead, threatening insults, from Hurley or any other competitor, appear part and parcel of the larger testosterone-fueled culture of arm wrestling. Such insults might help show an intent to harm, but they are far from dispositive in an case of an intentional tort.

If a defendant's level of intent in an athletic venue does not rise to the level of an intentional tort, a plaintiff may find it necessary to allege the tort of reckless misconduct. Reckless misconduct is characterized by a harmful action where the actor "knows his act is harmful, but fails to appreciate the extent

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<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

of the potential harm.”<sup>17</sup> To be found liable for reckless misconduct, the wrongdoer must recognize that the risk generated is “in excess of the risk of a negligent act.”<sup>18</sup> In other words, reckless misconduct represents the mid-point on the scale of wrongdoer’s intent among the three tort varieties discussed here. The wrongdoer’s intent and knowledge need not be as well-formed as in the case of an intentional tort, but it must exceed that of simple negligence.

As a matter of tort liability in athletics, many – and possibly most – jurisdictions hold that a wrongdoer’s intent must at least reach the level of reckless misconduct for a plaintiff to recover.<sup>19</sup> The policy behind this flows from cases like *Nabozny v. Barnhill*,<sup>20</sup> involving a recreational soccer player’s over-aggressive pursuit of a back-pass to the goalkeeper.<sup>21</sup> After the goalkeeper had gathered the ball, the defendant struck the goalkeeper’s head, causing serious injuries.<sup>22</sup> In order to provide lower courts a standard to assess the merits of claims like the plaintiff’s, the Illinois Appellate Court developed a standard more generally applicable to sports. While the court acknowledged that “some of the restraints of civilization must accompany every athlete onto the

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<sup>17</sup> Grell, *supra* note 6, at 760.

<sup>18</sup> *Id.*

<sup>19</sup> Ulysses S. Wilson, Comment, *The Standard of Care Between Coparticipants in Mixed Martial Arts: Why Recklessness Should ‘Submit’ to the Ordinary Negligence Standard*, 20 WIDENER L.J. 375, 382 (2011) (“In the overwhelming majority of jurisdictions, an injured sports participant wishing to recover damages must prove to the fact finder that the other participant’s act was reckless or intentional.”).

<sup>20</sup> *Nabozny v. Barnhill*, 334 N.E.2d 258 (Ill. App. Ct. 1975).

<sup>21</sup> *Id.* at 259.

<sup>22</sup> *Id.* at 260.

playing field,"<sup>23</sup> it also expressed concern about placing "unreasonable burdens on the free and vigorous participation in sports."<sup>24</sup> To strike a balance between these opposing policy objectives, the court established a test whereby:

when athletes are engaged in an athletic competition; all teams involved are trained and coached by knowledgeable personnel; a recognized set of rules governs the conduct of the competition; and a safety rule is contained therein which is primarily designed to protect players from serious injury, a player is then charged with a legal duty to every other player on the field to refrain from conduct proscribed by a safety rule.<sup>25</sup>

If the use of "duty" language would seem to permit a cause of action for simple negligence, the court practically interpreted its test as concluding "that a player is liable for injury in a tort action if his conduct is such that it is either deliberate, wilful or with a reckless disregard for the safety of the other player so as to cause injury to that player."<sup>26</sup> *Barnhill*, then, requires at least reckless misconduct on the part of a defendant to permit a successful cause of action by an injured participant in applicable athletics.

"Applicable" is the operative word in the previous sentence, as courts have seen fit to reject the *Barnhill* standard where not all prongs of the test are satisfied. Take *Novak v. Virene*,<sup>27</sup> where the

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<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Id.* at 260-61.

<sup>26</sup> *Id.* at 261.

<sup>27</sup> *Novak v. Virene*, 586 N.E.2d 578 (Ill. App. Ct. 1991).



same Illinois Appellate Court considered a claim related to a skiing accident. The court distinguished the facts in *Barnhill* from the claim before it based on the fundamentally different nature of the sports in the two cases. Where soccer involves “virtually inevitable” contact with other players, a skier “does not voluntarily submit to bodily contact with other skiers[.]”<sup>28</sup> The court did not believe that reckless misconduct was required to serve the interest in vigorous participation in skiing in the way that the *Barnhill* court required that standard of a contact-based team sport such as soccer. The *Novak* court instead permitted the application of a claim of ordinary negligence to the skiing accident before it.<sup>29</sup>

Reasoning similar to the *Novak* court’s view of skiing could be applied reasonably well to arm wrestling. First, it bears mention that the *Barnhill* test’s requirement of a team sport does not apply to arm wrestling, a sport cast in the fires of individual desire and glory. And if arm wrestlers must consent to contact to their opponent’s hand and, possibly, wrist, no other contact is envisioned by the sport. From that perspective, arm wrestling resembles less contact-oriented individual sports such as skiing or running. Notably absent are the frequent and unpredictable collisions attendant on a sport like soccer or football. If presented with the question of the level of intent sufficient to support a cause of action for an arm wrestling injury, a court could conclude that ordinary negligence should suffice in that context.

With that in mind, and by way of defining a third intent standard after intentional torts and reckless misconduct, it is important to understand

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<sup>28</sup> *Id.* at 580.

<sup>29</sup> *Id.*

what “negligence” means both generally and when applied to arm wrestling. Under a typical definition, negligence is “a failure to exercise the degree of care in a given situation that a reasonable person under similar circumstances would employ to protect others from harm.”<sup>30</sup> To be successful, a negligence claim must show four items: the existence of a duty between the defendant and plaintiff, a breach of that duty by the defendant, an injury sustained by the plaintiff, and a causal relationship between the defendant’s breach of duty and the plaintiff’s injury.<sup>31</sup>

*Over the Top* furnishes a few examples of the sort of duty whose breach might amount to negligence. As one example, the organizers of the championship arm wrestling tournament may owe a duty to the participants to have appropriate medical staff on hand in the event of an injury. They would equally owe a duty to provide well-constructed arm wrestling tables. The presence of qualified referees would also be part of their duty. As the film reveals, each of these duties at least appears to be satisfied.

Where legal duties seem to be satisfied at the world championship tournament, the film’s protagonist Hawk is far more content to breach duties of care towards his son, Michael. In one scene, this negligence takes the form of Hawk allowing 13-year-

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<sup>30</sup> *City of Santa Barbara v. Superior Court*, 161 P.3d 1095, 1095 (Cal. 2007).

<sup>31</sup> Some commentators and courts break the four-part test into five parts, which is also fine for purposes of the Article. See generally *Estate of French v. House*, 333 S.W.3d 546, 554 (Tenn. 2011) (noting that the elements of common law negligence include “(1) a duty of care owed by defendant to plaintiff; (2) conduct below the applicable standard of care that amounts to a breach of that duty; (3) an injury or loss; (4) cause in fact; and (5) proximate, or legal, cause.”).

old Michael to drive Hawk’s big rig unaided and without the niceties of training or a commercial driver’s license. In a scene more relevant to the topic at hand, Hawk forces Michael to arm wrestle an older, stronger adolescent despite Michael’s apparent arm wrestling inexperience, the opponent stridently threatening, “I’m gonna break your arm, punk.” Due to his inexperience and age, Michael is in no position to appreciate the risk of injury presented by arm wrestling, nor is he particularly able to disobey his father’s will. Had Michael sustained injury during the subsequent match (fortunately, he does not), his father would almost certainly have been negligent in allowing the injury to occur. He knowingly exposes his son to a risk of injury that only he, as the father and experienced arm-wrestler, appreciated, in breach of a duty of care for his son. His son would have been injured as the direct result of this negligence, as he would otherwise not have arm-wrestled the larger adolescent. All elements of a negligence claim would have been present.

A related cause of action for negligence might also arise in arm wrestling due to what is known as “break-arm” position.<sup>32</sup> This position occurs when a competitor’s elbow is planted at a point outside the

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<sup>32</sup> See SITDOWN & STANDING ARMWRESTLING TECHNICAL RULES, Competition Fouls, Item 6(d), (World Armwrestling Fed’n Rules 2007), *available at* <http://www.armwrestling.com/000rulesandregulations.html> (last visited Feb. 25, 2014) (“When a competitor starts to put themselves in a “break arm” or “dangerous position”, [sic] the referee will caution the competitor loudly so that the competitor understands the caution. Referee will instruct the competitor to face their competitive arm, so as to keep the hand, arm and shoulder in a straight line. Competitors must never force their shoulder inwards, ahead of their arm or hand, towards the table.”).

frame of his or her shoulder. In other words, if a line were to be drawn directly away from the point where the elbow is planted, it would not intersect the competitor's body. In this position, the competitor is at increased risk of suffering a spiral humerus fracture. A knowledgeable arm wrestler continuing in an attempt to win a match – despite knowledge that the other participant is in “break-arm” position – could be liable for negligence if the other participant's arm does in fact break. In practice, however, this type of claim is unlikely to be successful due to the assumption of risk doctrine.

Where a plaintiff arm wrestler brings a cause of action for negligence, the assumption of risk doctrine could stand as a bar to the plaintiff's case. Assumption of risk is the “traditional belief that a participant assumes the dangers inherent in the sport and is therefore precluded from recovery from an injury caused by another participant.”<sup>33</sup> Under this rationale, a participant in a soccer match assumes the risk of being struck by a kicked ball during the normal course of play; a football player carrying the ball on offense assumes the risk of being tackled; therefore, an arm wrestler arguably assumes the risk of an arm injury inflicted during a typical match.

These examples generally correspond to the branch of the doctrine known as “primary assumption of risk.” Primary assumption of risk applies to “those instances in which the assumption of risk doctrine embodies a legal conclusion that there is ‘no duty’ on the part of the defendant to protect the plain-

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<sup>33</sup> Paul Caprara, Comment, *Surf's Up: The Implications of Tort Liability in the Unregulated Sport of Surfing*, 44 CAL. W. L. REV. 557, 561 (2008).

tiff from a particular risk.”<sup>34</sup> Under a different type of assumption of risk, called “secondary assumption of risk,” the plaintiff knowingly courts a risk of harm at the hands of the defendant despite the existence of a duty between the parties.<sup>35</sup> Had the Smasher character in *Over the Top* said that he wanted to show Hawk something by negligently jostling his arm (in contrast to his original declaration that he would break Hawk’s arm, Hawk would have assumed the risk of such “jostling” under a secondary assumption of risk. Something gets lost in the translation of the taunt to negligence only, though, so it’s fairly unsurprising that Smasher did not express himself that way.

Therein lies one of the primary limits to the scope of the assumption of risk doctrine. The doctrine only applies to actions in negligence, as athletes are not generally deemed to assume the risk of another participant’s reckless misconduct or intentional tort.<sup>36</sup> Assumption of risk is also limited in its partially subjective view of the party assuming the risk. When the plaintiff skier was injured in *Seidl v. Trollhaugen, Inc.*,<sup>37</sup> the court found “no evidence that plaintiff had knowledge of that particular risk prior to the time of injury or even that she knew such a risk to be one of the ordinary inherent risks of ski-

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<sup>34</sup> *Id.* at 567.

<sup>35</sup> *Id.* at 567-68.

<sup>36</sup> *Martin v. Luther*, 642 N.Y.S.2d 728, 729 (N.Y. App. Div. 1996) (“It is well established that [voluntary sports] participants may be held to have consented, by their participation, to injury-causing events which are known, apparent or reasonably foreseeable, but they are not deemed to have consented to acts which are reckless or intentional.”).

<sup>37</sup> *Seidl v. Trollhaugen, Inc.*, 232 N.W.2d 236 (Minn. 1975).

ing.”<sup>38</sup> The court did not consider what an ordinary skier would have known under the circumstances, but what the plaintiff knew. Similar thinking would limit the type of risk that a child assumes in athletics, as compared to the risk assumed by a more experienced adult.<sup>39</sup>

If assumption of risk only covers negligent acts whose likelihood the plaintiff should have appreciated, protection from liability for arm wrestling injuries can be expanded somewhat if either an arm wrestler or organizer of the match compels competitors to sign a waiver prior to participation. Such a waiver effectively protected Arm World Promotions in *Jamison v. Arm World Promotions*.<sup>40</sup> In that case, the plaintiff Jamison sustained a spiral torque fracture during an arm wrestling tournament organized by the defendant.<sup>41</sup> Prior to participation though, Jamison executed a waiver which stated in abbreviated form, “I hereby waive all claims against the State of Calif., Arm World Promotions (AWP), . . . Operators or Sponsors . . . for injuries that I may sustain.”<sup>42</sup> The California Court of Appeal noted that waivers may effectively eliminate a legal duty if they contain language that is sufficiently “clear, unambiguous, and explicit in expressing the intent of the

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<sup>38</sup> *Id.* at 241.

<sup>39</sup> Survey, *Sports Law in the State of Wisconsin*, 15 MARQ. SPORTS L. REV. 425, 437-38 (2005) (summarizing *Little v. Bay View Area Red Cats*, No. 80-1801, 1981 WL 139187 (Wis. Ct. App. June 15, 1981) for the proposition that “children lack the maturity and experience to make responsible decisions, and the jury should consider this when determining a child’s proportion of negligence.”).

<sup>40</sup> See *Jamison v. Arm World Promotions*, No. F058008, 2010 WL 3307462, at \*6 (Cal. Ct. App. Aug. 24, 2010).

<sup>41</sup> *Id.* at \*1-2.

<sup>42</sup> *Id.*

parties.”<sup>43</sup> As the language of the Arm World release was sufficiently clear,<sup>44</sup> it was held to release the defendant’s liability towards Jamison.

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<sup>43</sup> *Id.* at \*4.

<sup>44</sup> *Id.* at \*6. As the *Jamison* court also noted, waivers are unenforceable if they implicate the public interest. This occurs when the multi-factor test set out in *Tunkl v. Regents of University of California*, 383 P.2d 441, 445 (Cal. 1963), is satisfied. The test states that “the attempted but invalid exemption involves a transaction which exhibits some or all of the following characteristics. It concerns a business of a type generally thought suitable for public regulation. The party seeking exculpation is engaged in performing a service of great importance to the public, which is often a matter of practical necessity for some members of the public. The party holds himself out as willing to perform this service for any member of the public who seeks it, or at least for any member coming within certain established standards. As a result of the essential nature of the service, in the economic setting of the transaction, the party invoking exculpation possesses a decisive advantage of bargaining strength against any member of the public who seeks his services. In exercising a superior bargaining power the party confronts the public with a standardized adhesion contract of exculpation, and makes no provision whereby a purchaser may pay additional reasonable fees and obtain protection against negligence. Finally, as a result of the transaction, the person or property of the purchaser is placed under the control of the seller, subject to the risk of carelessness by the seller or his agents.” *Tunkl*, 383 P.2d at 445-48. In the original *Tunkl* case, this test invalidated a waiver of negligence liability in the hospital context. It has also been applied to invalidate a waiver for injuries arising out of interscholastic sports. *Wagenblast v. Odessa School District*, 758 P.2d 968, 970 (Wash. 1988) (finding that a waiver in for participation in interscholastic athletics violated all 6 *Tunkl* factors). Discussion of the *Tunkl* test is limited to a footnote here as arm wrestling is not likely to trigger *Tunkl*. The sport of arm wrestling is simply not a necessary incident of life in the same way a hospital’s services are. Nor, to my knowledge, is arm wrestling offered as an interscholastic sport such that it would come under *Wagenblast*.

The principle that waivers may eliminate liability for simple negligence has a flip side – waivers generally cannot eliminate liability for gross negligence or intentional torts. As the Supreme Court of California noted in *City of Santa Barbara v. Superior Court*, “the vast majority of decisions state or hold that . . . agreements releasing grossly negligent conduct generally are void on the ground that public policy precludes enforcement of a release that would shelter *aggravated misconduct*.”<sup>45</sup> In other words, courts do not want to allow parties who show a complete lack of care for others to stand behind a piece of paper to deflect any charge of wrongdoing.

Based on the foregoing discussion, some general trends become evident in the law likely applicable to arm wrestling. First, unless a jurisdiction has established reckless misconduct as the minimum level of intent necessary to bring an athletics-based civil action, courts will likely reason that negligence, reckless misconduct, and intentional torts are all actionable in arm wrestling. Practically speaking, however, negligence will be fairly unusual and difficult to show in most arm wrestling cases, as the most common risk associated with arm wrestling – the fractured arm – will be deemed a risk assumed by a knowledgeable participant. However, slim the chance of such liability, arm wrestling participants may – and to a greater extent, arm wrestling tournament organizers will – want to obtain a clear, explicit waiver from other participants to limit their liability for negligence. Arm wrestling plaintiffs will be more likely to succeed on an intentional tort or reckless misconduct theory, provided the alleged

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<sup>45</sup> *City of Santa Barbara v. Superior Court*, 161 P.3d 1095, 1103 (Cal. 2007).



wrongdoer’s misconduct rises to the level of such torts. Additionally, such torts will not be susceptible to protection by waiver in most jurisdictions as a violation of public policy.

## II. ARM WRESTLING AT WORK

If someone really likes arm wrestling as a recreational pastime, it may only be logical for that person to want to get practice in the sport whenever possible. That could mean arm wrestling strangers in truck stops; it could mean using the intermission of a Broadway play to arm wrestle; and it certainly could mean arm wrestling at work. Nearly all published judicial opinions on arm wrestling flow from just this latter case, where an arm wrestler injured on the job seeks workers’ compensation from an employer (or employer’s insurance) for the injury. Due to the limited likelihood of success of a negligence action against an arm wrestling opponent, workers’ compensation represents the only viable outlet for liability where an arm wrestling match occurs at work. But just as a case for negligence would be hypothetically difficult for an injured arm wrestler, courts have proven practically averse to granting relief to arm wrestlers injured on the job,<sup>46</sup> even where that employee is traveling for work. Normally, such cases find that arm wrestling either falls under a statute expressly prohibiting recovery or remains

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<sup>46</sup> See *Quinones v. P.C. Richard & Son*, 707 A.2d 1372, 1372 (N.J. Super. Ct. App. Div. 1998) (arm wrestling falls under the New Jersey skylarking statute, accordingly outside the scope of employment); *Saunders*, 57 Van Natta 796 (Or. Work. Comp. 2005) (arm wrestling injury excluded from workers’ compensation claim by statute); *Fitzpatrick*, 64 Van Natta 174 (Or. Work. Comp. 2012) (finding arm wrestling outside the scope of employment).

outside the scope of employment protected by workers’ compensation.

If the plot of *Over the Top* strains credibility to its breaking point, at least one case at the intersection of employment and arm wrestling lends a grain of verisimilitude to the movie. That case is *Hackney v. Tillamook Growers Co-op.*, and it actually involves trucking and arm wrestling.<sup>47</sup> The workers’ compensation claimant, a long distance trucker, was alternating driving shifts with his supervisor at the time of the incident giving rise to his claim.<sup>48</sup> During their trip, the supervisor and the claimant had an overnight layover in Jacksonville, Florida, where they initially passed the time drinking and watching football at a motel bar.<sup>49</sup> With alcohol in his system and examples of testosterone-fueled behavior parading before his eyes, the supervisor proposed a (fairly) predictable projection of these stimuli – by challenging the claimant to an arm wrestling match.<sup>50</sup> The claimant initially refused the challenge, but eventually accepted without coercion.<sup>51</sup> During the ensuing arm wrestling match, he suffered a broken arm.<sup>52</sup> The claimant sought workers’ compensation for his injuries, a claim initially denied by the Oregon Workers’ Compensation Board.<sup>53</sup>

Claimant appealed the denial to the Oregon Court of Appeals, which reached the same conclusion as the Workers’ Compensation Board. The Court of

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<sup>47</sup> *Hackney v. Tillamook Growers Co-op*, 593 P.2d 1195 (Or. Ct. App. 1979).

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* at 1196.

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

Appeals found the case to turn on a single issue: whether the injury occurred within the scope of the claimant's employment.<sup>54</sup> The Court began by acknowledging that employees engaged in travel-intensive lines of work are usually held to be within the scope of their employment throughout their travel. The nexus between the trip and the scope of employment is broken, however, where the employee makes “a distinct departure on a personal errand.”<sup>55</sup> The Court found just such a departure in the case before it, concluding, “the claimant's injury arose after 5 1/2 hours of delay and the consumption of ‘three or four’ beers. Claimant's arm wrestling had no relationship to his employer's business.”<sup>56</sup> As the arm wrestling match was outside the scope of the claimant's employment, the Workers' Compensation Board's initial denial was deemed proper.<sup>57</sup>

At least one case has found in favor of a workers' compensation claimant in an arm wrestling-related incident occurring on the job, but the case is probably not particularly probative. In *Varela v. Fisher Roofing Co.*, the claimant Varela repeatedly challenged a co-worker to an arm wrestling match after Varela had been teased for carrying a lighter bucket than his co-workers.<sup>58</sup> At some point as the participants were either preparing for, or engaging in, the agreed-upon arm wrestling match, Varela slipped on a skylight and severely fractured his ankle.<sup>59</sup> The trial court found that Varela's injury was

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<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 1196-97.

<sup>58</sup> *Varela v. Fisher Roofing Co., Inc.*, 572 N.W.2d 780, 781 (Neb. 1998).

<sup>59</sup> *Id.*

sustained within the scope of his employment, a decision not reversed on appeal by either a review panel of the Worker’s Compensation Court or the Court of Appeals.<sup>60</sup>

The Nebraska Supreme Court’s conclusion fell in line with the decisions of the lower courts. As a basis for its decision, the Court adopted the Larson & Larson test to determine the bounds of the “scope of employment.” That test finds injuries sustained on the job eligible for workers’ compensation where the deviation from employment is insubstantial and the deviation does not “measurably detract from the work.”<sup>61</sup> The Court concluded that each of these prongs was satisfied, as “the work stoppage was of momentary duration, the injury happened at the very outset of the horseplay, this was not the sort of incident which carried a significant risk of serious injury, and the incident was a trifling matter, at least in its intention by the two employees.”<sup>62</sup> In view of this, the Court concluded that workers’ compensation was properly awarded.<sup>63</sup>

While breaking from the overwhelming trend of cases that have found arm wrestling on the job outside the scope of employment (and workers’ compensation protection).<sup>64</sup> *Varela* is probably not very significant. For one thing, the Court’s explanation of its decision places explicit reliance on some timing oddities particular to Varela’s arm wrestling bout. That bout could only be lumped in with the rest of Varela’s employment because the stoppage was mo-

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<sup>60</sup> *Id.* at 782-83.

<sup>61</sup> *Id.* at 783.

<sup>62</sup> *Id.*

<sup>63</sup> *Id.* at 784.

<sup>64</sup> See *City of Santa Barbara v. Superior Court*, 161 P.3d 1095, 1103 (Cal. 2007).

mentary, and the injury occurred at the outset of the match, possibly even before the arm wrestling had commenced. According to this understanding of the facts, the incident fell close to the boundary between employment and non-employment activities; the Court simply chose to view it on the employment side of the line. Had the arm wrestling lasted longer, or even begun, for that matter, the Court likely would have been compelled by its own reasoning to reach a contrary decision.

But beyond the case’s fairly liminal set of facts, the bigger reason that the *Varela* decision should be afforded limited weight is the weakness of its analysis. As the dissent in *Varela* noted, the boundary between activities within and outside of the scope of employment coincided with the moment that Varela set his work aside to arm wrestle. As of that moment, Varela was “no longer serving his employer’s interests;” quite to the contrary, he was unequivocally contravening a written policy prohibiting “boisterous or disruptive activity in the workplace.”<sup>65</sup> According to the dissent, failing to treat an arm wrestling contest occurring “on a slippery roof under construction” as outside the scope of employment would render the scope of employment requirement “essentially meaningless.”<sup>66</sup> This reasoning is persuasive – rather than losing the forest for the trees by focusing on the fortuitous timing of the injury in relation to the extracurricular activity, the dissent recognized that the very activity of arm wrestling on a non-arm wrestling job moves the participant’s conduct outside the scope of the employment.

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<sup>65</sup> *Varela*, 572 N.W.2d at 785 (Neb. 1998).

<sup>66</sup> *Id.* One may observe slippery slope logic applied to a literal slippery slope.

Given both the majority of decisions finding against arm wrestling workers’ compensation plaintiffs and the weakness of the single case to buck that majority, the employee who decides to explore his or her passion for arm wrestling at the workplace is likely doing so at his or her own risk. Unless a worker is employed to arm wrestle, that worker is not likely to be acting within the scope of employment when arm wrestling. From the perspective of employers, the risk that an arm wrestling injury’s costs fall on their shoulders may be mitigated by clear policies prohibiting such conduct. The employer should also affirmatively instruct employees not to arm wrestle on the job as soon as the employer is aware of such activities. These steps will limit the likelihood that the employer will be found to have acquiesced in the arm wrestling.<sup>67</sup>

### III. ARM WRESTLING AGAINST A MACHINE

In this penultimate Part, let’s take a short break from *Over the Top* to consider the story of John Henry, one of the classic squares in the quilt of American folklore. Inasmuch as the story is uncontested, it recounts the life of an African-American steel-driver plying his trade in support of railroad construction in the second half of 19<sup>th</sup> century.<sup>68</sup> The

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<sup>67</sup> No such concerns troubled our protagonist Lincoln Hawk. As an independent, self-employed trucker, Hawk was a sort of new American cowboy, arm wrestling where he liked and answering to no one. All risk of injury, and all potential for acclaim, remained on him.

<sup>68</sup> See generally ROARK BRADFORD, JOHN HENRY (1931); SCOTT REYNOLDS NELSON, STEEL DRIVIN’ MAN: JOHN HENRY, THE UNTOLD STORY OF AN AMERICAN LEGEND (2008); RAMBLIN’ JACK ELLIOTT, *Ballad of John Henry*, on THE LOST TOPIC TALES: ISLE OF WIGHT 1957 (Hightone 2004); VAN MORRISON, *John Henry*, on THE PHILOSOPHER’S STONE (Polydor 1998).

task of the steel-driver consisted of hammering a steel spike into a rock face to create a hole where an explosive could be implanted for detonation. The detonation, in turn, would clear a path for further railroad bed or tunnel construction. At the time when John Henry supposedly drove steel, technology had advanced to a point where, for the first time, steel-driving could begin to be mechanized. As manual labor's grip on the steel-driving hammer weakened, John Henry was enlisted to make a final stand against mechanization, in the form of a race against a mechanical steel-driver. As the legend goes, John Henry won the race, but exerted himself so thoroughly that he died at the race's end. Poets, musicians, and novelists have subsequently latched on to the John Henry story as a fountainhead of literary inspiration.

One may wonder what the legend of John Henry has to do with arm wrestling. Well, at present, an arm wrestling enthusiast can personally enjoy a modern spin on John Henry's story – without the same risks – by testing his arm wrestling prowess against an arm wrestling machine. In this modern man versus machine combat, gone are many of the deeply symbolic and historically notable aspects of John Henry's steel-driving race, as well as questions related to the process of mythmaking, but in their place is more arm wrestling, which almost evens the overall balance.

I say "almost," because what made John Henry's legendary feat so impressive is far less applicable in the context of a modern bout against an arm wrestling machine. Where John Henry was called upon to demonstrate the value of human strength against the oncoming tide of machinery, human arm wrestling machines are making no such grand display.

And where John Henry was working at his maximum capacity to defeat the best technology available at the time, modern technology could very easily outstrip any human’s arm strength, with as little as a simple adjustment of the arm wrestling machine’s settings. In this way, challenging an arm wrestling machine does not demonstrate very much, and exposes the participant to the risk of injury due to the machine’s malfunction.

Yet an arm wrestling enthusiast might still want to accept this challenge. Perhaps that person cannot find a human participant to arm wrestle, in which case a machine could serve as a surrogate. Or maybe the arm wrestler just loves the sport so much as to want to take on all comers, be they man or machine. If these, or other reasons, drive an arm wrestler to take on a machine, this Part discusses some of the legal issues surrounding this specific class of contest.

As noted in the part on arm wrestling generally, the savvy operator of an arm wrestling machine will likely require any user of the machine to sign a waiver. A well-designed waiver can help shield the machine operator from causes of action related to the operator’s negligence.

Not all waivers disclaiming liability associated with an arm wrestling machine will be found enforceable, however. The case of *Macek v. Schooner’s Inc.*<sup>69</sup> is didactic on this point. In that case, the plaintiff visited a bar where an arm wrestling contest involving a machine was taking place.<sup>70</sup> After consulting with the machine’s operators on its safety

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<sup>69</sup> *Macek v. Schooner’s Inc.*, 586 N.E.2d 442 (Ill. App. Ct. 1991).

<sup>70</sup> *Id.* at 443.



and testing its functionality, plaintiff agreed to participate in the arm wrestling contest.<sup>71</sup> Before he was allowed to do so, however, the machine’s operators required plaintiff to sign a form broadly waiving “any and all right and claim for damages . . . for any and all injuries” sustained by plaintiff during the arm wrestling contest.<sup>72</sup> The waiver then contained a representation that the person signing was in good health.<sup>73</sup> Plaintiff signed the waiver without reading it, and proceeded to take part in the contest, where he suffered a spiral fracture of his humerus and subsequent long-term impairment in the injured arm’s flexion and extension.<sup>74</sup> The plaintiff filed suit against the tavern and machine operators alleging breach of warranty, negligence in setting up the machine, and a claim that the machine was defective and dangerous.<sup>75</sup> The trial court dismissed each of these claims on the ground that the waiver released the defendants from liability for injury.<sup>76</sup>

The Appeals Court reversed the dismissal and remanded for further consideration of the waiver’s meaning. In so doing, the Appeals Court commented that Illinois state law requires that a waiver contain “clear, explicit, and unequivocal language” to serve as an effective release.<sup>77</sup> Included in that rule is the further requirement that the waiver clearly articulate what activities are covered by its terms.<sup>78</sup> Due to its breadth, the exculpatory clause in *Macek* was

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<sup>71</sup> *Id.*

<sup>72</sup> *Id.*

<sup>73</sup> *Id.*

<sup>74</sup> *Id.*

<sup>75</sup> *Id.*

<sup>76</sup> *Id.* at 444.

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

found ambiguous as to its scope, an ambiguity only exacerbated by the representation of the participant's health.<sup>79</sup> That representation, the Appeals Court concluded, muddled the meaning of the waiver by allowing for two readings of its terms – one in which the waiver was of effect broadly and another where the waiver only applied where the participant's health caused the harm.<sup>80</sup> Due to this ambiguity, summary judgment was deemed inappropriate, and the case was remanded to the trial court.<sup>81</sup>

The *Macek* case provides some general guidance as to how a waiver should be structured by an operator of an arm wrestling machine. First, the waiver should disclaim any warranties made in relation to the machine, particularly including any warranties of fitness for purpose. As previously noted in Part I, the document's terms should also explain what activities are within its scope in clear, conspicuous language. But that should not be the entirety of risk-mitigation that an arm wrestling machine operator undertakes. It is fair to wonder in the *Macek* case whether the Appeals Court was persuaded by the particular facts of the case, where the operators of the machine seem to have made statements as to the machine's safety completely contrary to the machine's operation in practice. That combination of a misrepresentation and a dangerous machine only gives courts more reason to find a waiver unenforceable for one reason or another. Arm wrestling machine operators should accordingly limit any statements that they make guaranteeing the functionality of their machine, and otherwise take all reasonable

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<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.* at 444-45.

steps to ensure that their machine functions properly. Exercising that level of care will increase the likelihood that a waiver exculpating the machine’s operator will be held enforceable.

Of course, as already noted, even the best drafted waivers are likely of no protection in cases where the party signing the waiver is the victim of gross negligence or an intentional tort. Surprisingly, the *Macek* court did not mention this possibility, although it is possible that the plaintiff did not raise the argument.<sup>82</sup>

For lack of an enforceable waiver – or any waiver at all, the cost of harm caused by an arm wrestling machine is much more likely to fall on the arm wrestling machine operator than it would in cases of injury during a simple human-against-human arm wrestling match. While both of these activities involve fundamentally similar physical motions to demonstrate strength and earn well-deserved social approval, the insertion of a machine changes the character of the activity. No longer is an arm wrestling match a struggle subject to the unpredictable hazards of sport and the whims of Fortuna; it is instead converted into a predictable match in which the machine should produce a controlled and predictable force throughout its motion. Deviation from that predictability is no longer a strategic or random incident of human athletic struggle; it is potentially a malfunction of the machine.

Such malfunctions could serve as the basis for myriad legal causes of action. A malfunction could be the result of negligence, gross negligence, or even intentional misconduct. Anything the machine operator says related to the functionality of the machine

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<sup>82</sup> See *id.*

could constitute a warranty of fitness for purpose that would be breached by a subsequent malfunction. And unlike human arms, arm wrestling machines are products likely subject to standard products liability law. That could trigger a duty for the operator to warn users of the machine of any unsafe conditions. It equally could expose the machine's manufacturer and operator to claims for strict liability for any injury resulting from the machine's malfunction.

The trade-off for arm wrestlers challenging a machine, then, is an increased likelihood of recovery in the case of injury, but a different risk of injury due to potential mechanical malfunction. Arm wrestlers desirous of contending with a machine might instead choose to limit their contests to human opponents who consider themselves machines. As *Over the Top* demonstrates, there is apparently no shortage of such arm wrestlers. One participant in the world championship tournament brags, "My whole body is an engine," and then, indicating his wrestling arm, "This is the fireplug, and I'm going to light him up."<sup>83</sup> Even Hawk is not immune to such self-promotion, as he notes that turning his hat backwards before a match makes him feel "like a different person, like a truck, a machine." Such blurring of the line between man and machine may not have any basis in reality, but it does present the possibility of a simulacrum combat against a machine. And somewhere, the ghost of John Henry is either proud or completely sickened.

### CONCLUSION

This Article has attempted to provide a general overview of how the law would likely treat the

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<sup>83</sup> OVER THE TOP (Warner Brothers 1987).

pastime of arm wrestling. In the first part of the overview, the type of torts likely applicable in the arm wrestling context were extrapolated from the law of other areas of athletics. That investigation revealed that the legal standards applicable to arm wrestling would likely require a participant to exercise a duty of care towards an opponent. Failure to exercise such care might theoretically expose the negligent arm wrestler to liability for negligence. Practically, however, such claims are not likely to succeed where an experienced participant can be found to have assumed the risk of any injuries foreseeable in a typical match. The risk of such claims may be further mitigated by the participants' or match organizer's use of effective, unambiguous waivers. Tort liability in the world of arm wrestling may be more probable, then, in the more limited area of intentional tort and reckless misconduct. That said, these general guidelines should not be viewed as bright-line rules; tort liability for arm wrestling injuries will be dependent on both the circumstances of the case and the state laws applicable to a cause of action.

In its final two parts, the Article considered arm wrestling in two specific contexts – at the place of employment and against a machine. The liability risks for third parties in these two cases diverged. Where the third party employer would not be likely to be found liable for a claim for workers' compensation arising out of an employee's arm wrestling injury suffered while on the job, the operator of an arm wrestling machine runs much greater risks across a wider swath of torts – from products liability and breach of warranty to gross negligence and even ordinary negligence.

As a backstop to this overview, the Article has

leaned heavily on events occurring in the 1987 movie, *Over the Top*. Such reliance on a Hollywood action-drama – particularly one involving late-80s Sylvester Stallone – should be taken with more than a grain of salt. After all, this is a movie that depicts arm wrestling competitors slapping each other in the face and (apparently) drinking motor oil to prepare for a match. The motor oil drinker is even willing to extinguish a lit cigar prior to a match by eating it as a ploy to intimidate his opponent. Needless to say, a certain suspension of disbelief is in order when watching the movie, and an even greater suspension of disbelief is required when trying to generate legal analysis from such a movie. Yet the law itself has been presented here in a more serious manner, leaving the author to echo the request embedded in the title of Kenny Loggins’ theme song to *Over the Top* – “meet me halfway.”<sup>84</sup>

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<sup>84</sup> KENNY LOGGINS, *Meet Me Half Way*, on *OVER THE TOP* (CBS Records 1987).